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ECONOMIC SITUATION AFFECTS GAS SUPPLY TO CONSUMERS

Buenos Aires LA PRENSA in spanish 19 Jun 81 pp 1, 6

[Text] The planning director of the State Gas Company, engineer Antonio Barbato, said that the low pressures in the household gas supply in the capital city and in greater Buenos Aires may continue. He reported that while the daily distribution has reached record levels, it is still inadequate, since the economic situation has forced a cutback in investments and in government spending, and for that reason projects to expand the gas supply during peak consumption times have not been carried out.

Speaking at a press conference, Mr Barbato said that despite the fact that during the coming weekend gas stored when consumption is low may help to remedy the situation, during the remainder of this winter season the situation we now have will recur, especially during periods of intense and persistent cold weather.

To alleviate the situation, he called for reduced consumption. He said that State Gas has cut back its supplies to industrial users who were notified earlier, but he rejected the possibility of making scheduled interruptions in the distribution system. This is impossible, he said, because the gas company would have to send out an army of workers to close down all the household switches and then to reopen them one by one after gas service was restored.

Mr Barbato said that about 33 million cubic meters are being distributed every day, compared with 30 million cubic meters a day last year, but even though the 1981 figure is 10 percent higher, this is not enough to maintain pressures at their normal level and to fully meet demand during these very cold days.

We are putting in 2 million more cubic meters from our fields in the north and from Bolivia, he said, and 1 million more from the south. This has been possible because of the expansion of our transport capacity.

He maintained that these are called basic projects, because they increase the annual transport capacity, but projects which increase the supply during peak consumption times can not be carried out at this time. He pointed out that this additional capacity in gas pipelines and in distribution systems would remain inactive or underused almost all year long, but would normalize the gas supply during the 10 or 15 coldest days of the year.

On the issue of investment, he said that the major investments have been shifted to private industry, and that over US \$1 billion has been invested, while State Gas has invested approximately US \$200 million.

New Users

Barbato explained that with this investment program gas has been made available all over the country to 150,000 new users and the distribution system has been expanded by 3,000,000 meters. In previous years these figures were 90,000 new users a year and expansions of 700,000 meters.

He then explained that with the funds available, "if we had decided not to accept new customers, this would have increased our distribution capacity for the peak use times during 5 to 10 days a year, when there are low pressures in some areas of the capital city and in the greater Buenos Aires area."

About the rate structure, he said that the earnings this structure produces are not sufficient to cover the full cost of investments, and that a balanced budget would require substantial increases in these figures. He added that these figures have lagged behind the increase in cost indices for the lowest-cost months of the year.

The Future

On the subject of next year and following years, Mr Barbato said that financing and building the Center-West gas pipeline and the new compressor plants in the southern gas pipeline will help to improve the situation, even during peak use days, but at the cost of having some unused capacity.

This situation, he concluded, will provide more efficient service in the winter, but will also mean higher costs, and consequently, this makes an appropriate rate structure even more essential.

7679

CSO: 3010/1508

STUDY SHOWS YPF DEBT INCREASE

Buenos Aires CLARIN in Spanish 17 Jun 81 p 10

[Text] The total debt of YPF [Government Oil Deposits] at the close of 1981 will probably be US \$6.1999 billion. Of this amount, which is 74 percent higher than the debt at the end of 1980, US \$4.1234 billion is for financial obligations and US \$2.0765 billion is for commercial commitments, according to official sources.

As of 30 April 1981 YPF's debt came to US \$3.8952 billion, with US \$3.462 billion for commitments contracted with the external market.

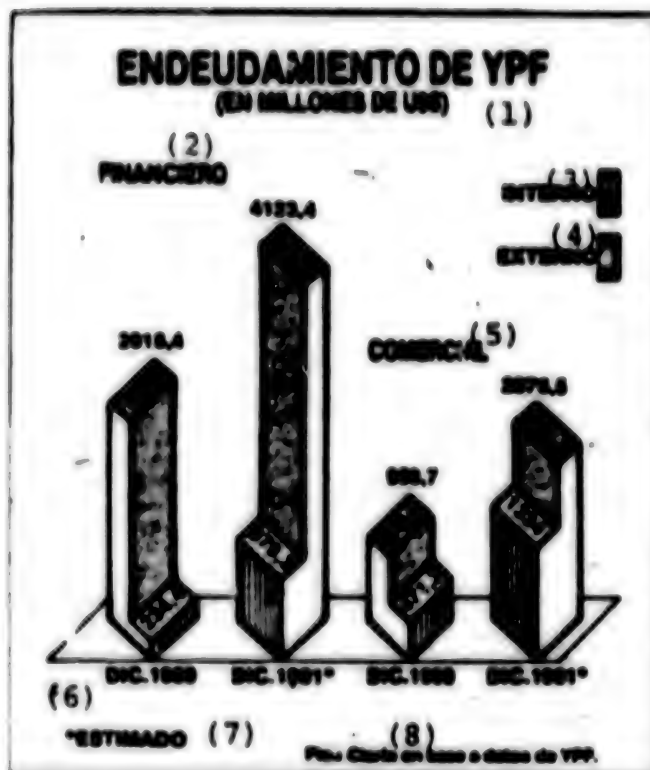
The debt from financial operations came to US \$3.0444 billion, while the commercial debt--including interest due--came to US \$850.8 million.

The accounts closing in April show that short-term maturities came to 58 percent--US \$1.7787 billion--of the total financial commitments and 74 percent--US \$627.2 million--of the total commercial debt.

In 1981 only 46.7 percent of the total obligations will have to be paid, while 76.57 percent of the external debt--US \$2.651 million--will be due this year.

If YPF's external debt is divided according to its origin, we find that 45 percent of the debt originated in Japan, while the United States, France, and the rest of Europe are owed 15, 8, and 30 percent of the total.

Of the total debt for the current year, 62.67 percent (US \$3.8858 billion) apparently was contracted with the external market, while 73 percent (US \$4.5428 billion) of the estimated debt for 1981 is apparently in short-term obligation.



Key:

1. YPF's debt (in millions of US\$)
2. Financiero
3. Interno
4. Externo
5. Comercial
6. December
7. Estimated
8. Source: CLARIN, based on YPF data.

The 1981 Budget

The YPF budget calls for current income of 14,146,923,000 pesos and spending of 12,619,996,000 pesos. Based on these estimates, there should be an operating surplus of 1,526,927,000 pesos.

Of the total outgo, 66.5 percent is for goods and services, while the bulk of income (51.3 percent) is for funds earned from major byproducts.

The need for regulated financing, based on the initial calculations, comes to 2,642,958,000 pesos for 1981.

As for real investment, scheduled for 2,622,990,000 pesos, 87.1 percent will be spent for equipment, 10.3 percent for construction, and 2.6 percent for labor.

RISKS, ADVANTAGES OF NEW OIL EXPLORATION METHODS REVIEWED

Buenos Aires LA PRENSA in Spanish 24 Jun 81 p 16

[Text] Mendoza--The former president of YPF [Government Oil Deposits], Facundo Suarez, said that the exploration for solid hydrocarbons which has begun in the Llanquanelo field in the south of the province "is a revolutionary undertaking from a technological point of view," which could put into operation a reserve "much larger" than all the fields now being exploited in Argentina, containing about 50 million cubic meters.

The former YPF official further reported that this project, which he described as "sound and favorable," will require that modifications be made in YPF's Lujan de Cuyo distillery, in order to incorporate the "very new hydrogenous system, in which a light chemical element is introduced in the distillation mechanism which uses it as fuel."

In an extensive discussion with NA [Argentine News Service], Suarez said that the system which the Union Oil Company will use in the Llanquanelo field in Malargue department, 422 kilometers from Mendoza, "does entail some risks," because steam has to be injected to a great depth in order to liquefy the petroleum, which "could expand the residual clays of the basin," some technical experts feel.

The Romanian Method

Nonetheless, he expressed his confidence in the experiment, even though he termed the Romanian method, which uses combustion and fire by means of heaters, with the injection of compressed air, "a very well known method with solid credentials."

The Romanians lost the bid for the Llanquanelo project when officials of the present government awarded the contract for a lower price to the Union Oil Company, which has experience and has had good results with this type of heavy petroleum.

The U.S. firm has begun to drill its first test well in Malargue. There will be a total of 400 wells drilled under a risk contract, as the investments are being made solely by the contractors, who will assume all losses in case of failure.

A Technological Challenge

The ASTRAPOR firm is taking part in this project. In this way, said Suarez, this project will pose "a technological challenge and will bring Argentina to a top international level in this type of operation."

The radical leader, who headed YPF during the presidency of Arturo Illia, awarded extraordinary significance to the Llanquanelo explorations, even beyond the extraction of petroleum and the actual research, because it should lead to "the purchase of equipment and more work for a large number of employees, and should strengthen the petroleum resources of Mendoza and of the nation."

Suarez said that "despite the tremendous complications," this attempt to liquefy the solid petroleum of the field will help YPF to put into action, through its contractors, the "most modern, most complicated and sophisticated petroleum extraction system in the world."

7679

CSO: 3010/1508

BRIEFS

OIL DRILLING NEAR MENDOLA--The Union Oil Company from the United States has begun to drill 400 wells in the Malargue area, 422 kilometers from Mendoza, as part of a spectacular research program to extract solidified petroleum from an oilfield considered of great importance. The work is being done in the Llanquanelo region, south of the departmental capital, under a 20-year contract signed by the government of Argentina with the Union Oil Company. Union Oil is to drill 400 wells. The first of these wells is now in a fairly advanced stage, Union Oil's project director, Edmund Haube, told the newspaper LOS ANDES. Haube said that a method similar to what is now being used in 1,000 wells in California is to be used here. Samples will be extracted from different levels, which "will be sent for study to laboratories in Argentina and in the United States." Some years ago YPF [Government Oil Deposits] did some experimental work in Llanquanelo that did not yield the hoped-for results, primarily because of the solidification characteristics of the hydrocarbon, which could be exploited though at a highly unusual cost. Haube, however, expressed confidence in achieving good results, saying that if they are successful, his firm will build housing in Malargue for 100 families of workers "who will be employed there in the future." Llanquanelo, considered one of the largest oilfields in Argentina, is very close to Puesto Rojas, another field now being worked, whose wells produce the largest amount of petroleum in Mendoza. [Text] [Buenos Aires CONVICCION in Spanish 20 Jun 81 p 15] 7679

CSO: 3010/1508

BRIEFS

NO MARAVEN MOVE TO MARACAIBO--Maracaibo, 12 Jun (INNAC)--Carlos Rico, general manager of MARAVEN, stated that this enterprise has come to the east coast of the lake [Maracaibo] to stay, grow and consolidate, when he discredited a campaign being conducted at present on the possibility that MARAVEN is going to move to Maracaibo. Consequently, this would seriously affect the economy of the area in that zone of Lake Maracaibo. He said that there was an attempt to show that the enterprise was seeking to abandon these areas, when, actually, MARAVEN has provided plans for unprecedented expansion in the next few years, in the entire area of the east coast of the lake. In addition, not only is the oil activity taken into account, but also ambitious participation in the urban development programs provided for in the agreement signed recently with MINDUR (Ministry of Urban Development) and the municipalities in these districts. Then Rico said that, concerning moving its personnel to the capital of Zulia, the company is faced with the problem of a housing and office space shortage. This, added to an increase in the company's activities in its operational areas, has made it necessary to make that decision, which is fully justified. [Text] [Caracas EL UNIVERSAL in Spanish 13 Jun 81 pp 2-29] 10042

ANACO GAS EXPLOITATION--The executive board of the Venezuelan Engineers Association received an extensive presentation concerning the LNG [Liquefied Natural Gas] project for exploiting the gas in areas of eastern Venezuela from top-level executives of the MENEVEN petroleum operating enterprise. This meeting was attended by the president of CIV [Venezuelan Engineers Association], Engineer Jose Luis Garcia Gonzalez, who, together with Joaquin Silva Diaz, Cesar Quintini, Carmelo Eduardo Medina, Jorge Giordani and Rafael Luna, all engineers and members of the national executive board, received Dr Gustavo Coronel, vice president of MENEVEN, together with Gustavo Inciarte and Hector Rivero, both directors; Lionel Avessio, project manager; Jorge Gonzalez, production supervisor; Leonardo Marciano Baez, LNG project supervisor and Valenzio Cataldo, project manager for eastern Venezuela. In compliance with a request made by the present executive board of the association, the MENEVEN representatives, visiting the association, presented the scope of the project and of the contracts signed for exploitation of natural gas in the Anaco block, state of Anzoategui, known as the Eastern LNG and Cryogenic Project. According to the press release issued by the Public Relations Office of the Engineers Association, this project assumes an estimated production of 800 million cubic feet of natural gas a day, to produce 58,500 barrels of propane and heavier products a day and to supply CORPOVEN with 700 million cubic feet of dry gas. The CIV executives listened attentively to the presentation by the MENEVEN representatives and, at the same time, they expressed the need for Venezuelan engineering to participate in management as well as in basic design of all these large-scale projects, in order thus to facilitate technology transfer, so that, in the near future, we will not depend technically on multinational enterprises. [Text] [Caracas EL UNIVERSAL in Spanish 18 Jun 81 pp 2-6] 10042

BELAUNDE TO VISIT BRAZIL, VIEWS BILATERAL AGREEMENT

Lima EL COMERCIO in Spanish 28 Jun 81 p 4-A

[Text] President Belaunde will visit Brazil in the near future in response to an invitation from his colleague President Joao Baptista Figueiredo.

"It has been very gracious of President Figueiredo to invite me to visit his country and to take a tour that is not the usual or touristic one but rather one designed to familiarize myself with the cultural and developmental reality of Brazil," he added.

The head of state disclosed this and other details at an informal press conference held shortly after he had seen the Brazilian president off in aerial group 8.

Architect Belaunde indicated he is awaiting an opportune moment to go to Brazil. "I would like it to be on the occasion of putting into service some of the large-scale projects that are under way in Brazil," he said.

He also revealed that Peru's Amazon fleet will be going to Brazil, via the Amazon, on the occasion of the inauguration of the first phase of a hydroelectric plant Brazil is building. "We always have summer ocean cruises there. This time it will be a river cruise," he pointed out.

The president expressed satisfaction over the success of his Brazilian colleague's visit. "It was as much a courtesy and friendly visit as a working one. We worked intensively and were greatly impressed by the personality of President Figueiredo and of his charming wife," he affirmed.

He also had word of praise for the Peruvian people. "He took the opportunity to express his affection and friendship for the leaders as well as for the people of Brazil's neighbor country," he said.

He publicly congratulated Foreign Minister Arias Stella, the Peruvian ambassador in Brazil and the Brazilian ambassador in Peru, as well as all the government officials who had contributed to the success of the visit.

Practical Accords

At another point in his dialogue with the press, the head of state said that the accords signed with Brazil were both eloquent and practical. "We have made the transition from contemplation to action. International relations have often been contemplative. It is not often that joint objectives and intentions like those we have signed are actually reduced to writing," he said.

Architect Belaunde also expressed his satisfaction with the agreement with Brazil relating to compliance with international treaties. This obviously includes the 1942 Protocol of Rio de Janeiro.

With regard to the road interconnection, he said Peru will have built a main highway through Madre de Dios within 1 year.

He said that during the signing of the documents no reference was made to the problems that have arisen with Ecuador. "They were not mentioned. Had it been desired to mention this point specifically, it could have been discussed in detail; but for Peru, Brazil's declaration in the sense that it fully intends to respect the treaties was entirely satisfactory. This is Peru's sole viewpoint," he stated.

With respect to Ecuadorean President Osvaldo Hurtado's forthcoming visit to Brazil, he stated that it is a perfectly normal thing. "Relations among all nations must be as intense as they are in the case of Peru. And it seems to me to be a timely visit, because President Hurtado has taken office only recently. He is known as an experienced executive and I believe he should maintain the most cordial relations not only with Brazil but also with Peru, as befits two fraternal nations," he said.

Andean Pact

President Belaunde stated that President Figueiredo's presence and his expressed backing of the Andean Pact strengthens it.

"It does so in the sense that he represents a country that is located in two important subregions: the Amazon and the Southern Cone; and he is vitally interested in the success and development of the Andean Pact. He has flatly stated it," the chief executive added.

Adding something further to the point, he said that the subregional groups that include Peru and Brazil cannot be exclusive; they must be a part of the overall Latin American regional aggregate.

The Stowaway

With respect to the Cuban "stowaway" returned to his country of origin, President Belaunde stated that "unfortunately it was a routine proceeding initiated during the minister of interior's absence from Lima.

"Because of the latter circumstance," he said, "he was not consulted on the case. Had he been consulted, a special measure would have followed." He also stated that it had in no way been an arbitrary action. "It is normal," he said, "to return a person arriving without documents to his country of origin."

ANTARCTIC ISSUE INCLUDED IN PERU-BRAZIL DECLARATION

Lima EL COMERCIO in Spanish 1 Jul 81 p 4

[Text] The speaker of the Senate, Oscar Trelles Montes, emphasized yesterday, the importance of having included the issue of the Antarctic in the joint declaration signed recently in Lima by Brazilian President Joao Figueiredo and Peruvian President Fernando Belaunde Terry, as a contribution to clearing the way for the two countries to participate in the Antarctic Treaty.

The latter was signed at the conclusion of the International Geophysical Year (1957-1958) proceedings, which deferred for 30 years all territorial claims in the world's southernmost region; such claims may be actuated beginning in 1988.

Trelles said the region has "extensive lands with probable natural wealth that is not being exploited at this time but which could be exploited in the future to the benefit of all humanity."

He pointed out that "it is a fundamental problem for the international future," adding that the Ministry of Foreign Relations has taken a hand in the matter "since we must not only concern ourselves with the present but also look toward Peru's future as regards that region."

He stated that the Antarctic issue has aspects similar to those of the territorial waters issue, in which Peru took a major part some decades ago, resulting in the present worldwide acknowledgement of those concepts.

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CSO: 3010/1531

ECUADOREAN COMMISSION ANALYZES BORDER PROBLEM WITH PERU

Quito EL COMERCIO in Spanish 25 Jun 81 p A-3

[Text] The International Affairs Legislative Commission began last night analyzing the border problem with Peru, assisted by the Chancellery and the Ministry of Foreign Relations. The Commission began by taking cognizance, in closed session, of a report by legislator Julio Prado, after which it defined the manner in which it will proceed in addressing this delicate problem.

To this effect, the members of the Commission--Julio Cesar Trujillo, chairman; Alejandro Carrion, vice chairman; Gonzalo Gonzalez, Aurelio Carrera and Julio Prado--met with Gen Jorge Felix, the National Defense Ministry representative, and Ambassador Alfredo Luna Tobar, the Ministry of Foreign Affairs delegate.

The chairman of the Commission, Julio Cesar Trujillo, stated that this is the most serious problem of all those that have come before the Commission since its inception, and that because of this it will be studied with maximum diligence and in full depth.

He explained that "We want to examine the problem from the historical and juridical standpoints, so as to properly base our findings, after we will analyze in maximum depth and breadth the latest developments that have occurred in the Cordillera of the Condor, as well as our presence in the OAS and the presence of our military negotiators in Huaquillas and Aguas Verdes.

He concluded saying that the desire of the Commission is to bring this study to a close with recommendations on the basis of which the country and all its political parties and social forces can be invited to define the nation's aspirations in this matter.

The report submitted by Prado to the closed session presents a systematic analysis of the border problem and states the short- and long-term objectives Ecuador must adopt and the decisions the Commission should approve to be able to submit a constructive proposal to the National Chamber of Representatives.

The Prado report points out that a large-scale national debate must be undertaken on the border problem with Peru, and that it is an unavoidable imperative, in this historic hour of Peru's existence, that a determination be made of the nation's

short- and long-term objectives and that there be a clear understanding of the nation's diplomatic and official actions and of the backing it has from its civil, political, economic and military sectors in this common undertaking to sovereignly pursue our own destiny and clear up once and for all any misunderstandings as to what we want and where we are going with regard to the border issue.

Prado stated that our long-range goals must of course coincide with our overall claim to Ecuador's sovereign rights, whereas our immediate goals, which are those affecting the security of our nation's sovereignty within the limits set by the Protocol of Rio de Janeiro, must be based on diplomatic and official actions that must be taken in the near term.

He added that this is one of the most difficult issues the International Affairs Commission must address, since, as all Ecuadoreans know, the border problem has been constantly deteriorating as a result of Peru's ambitious and arbitrary actions, its obstinate refusal to seek a means of peaceful solution, and its insistence on the absurd thesis that no border problem with Ecuador actually exists.

Nevertheless--he continued--there is another factor that directly concerns Ecuadoreans; it is the fact that our nation has had an "indefinite, variable and insecure" policy, substantially owing to the fact that Ecuador has not set forth its national objectives in the area of international relations insofar as concerns Peru.

In the document submitted by Prado for consideration by the Commission, he makes the following final statements and recommendations:

Ecuador declares a permanent objective of its national effort and of its international policy to be its full claim to its national border rights as legitimate heir to the territories of the Audiencia and Presidencia of Quito, without prejudice to validly subscribed treaties.

The attainment of that permanent objective of the Republic must not and cannot hinder the immediate guaranteeing of our national sovereignty over the territories left to us by the Rio Protocol.

This guarantee of our national sovereignty must involve as an immediate national objective the resolution of the pending situations that are affecting Ecuadorean border rights and the obtention of a sovereign, adequate and direct opening to the Marañon, inclusively involving resolution of the problem of the lack of a boundary line, which is affecting the Zamora-Santiago sector and is making it impracticable. And to this effect, any juridical and peaceful solution to the controversy must be proposed, including an appropriately set up international arbitration.

Our diplomatic action must be directed toward the creation of a body of international public opinion with regard to the Ecuadorean rights being affected by Peru's military imposition that made us its victims, and to Ecuador's indefeasible right to a sovereign and direct opening to the Marañon. Our line of international conduct must also adhere to the peaceful aspirations of the Ecuadorean people.

BRAZIL OFFERS LOAN FOR HYDROELECTRIC PROJECTS IN PERU

Lima EL COMERCIO in Spanish 26 Jun 81 p 4

[Text] Minister of Energy and Mines Pedro Pablo Kuczynski said yesterday that Brazil has offered to grant a \$300-million loan "on very competitive terms" for the construction of the Yuta (Arequipa) and Yuncan (Junin) hydroelectric plants.

He also said that as head of that sector he had outlined the scope of two other similar projects, located in different parts of the country, at the first meeting between Presidents Belaunde and Figueiredo in the Palacio de Gobierno.

Kuczynski disclosed that the Brazilian delegation showed marked interest in the four projects and immediately offered to finance the studies on two of them and probably the building of the two above-mentioned hydroelectric plants.

Report to the Cabinet

In addition to this, he revealed that today he will submit a report to the Cabinet of Ministers on the draft contract with Shell for the exploitation of oil in the forest region. The contract will be subject to various approvals, including that of the Comptroller General of the Republic.

The minister of energy and mines also stated that aside from aid in the construction of hydroelectric plants, Brazil had also offered to cooperate in other segments of his sector.

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CSO: 3010/1531

BRIEFS

MEXICAN-VENEZUELAN TOURISM COOPERATION--Acapulco, Special WPS--"Venezuela can receive all the aid that it needs with regard to tourism and Mexico would be very honored if it is requested to supply the experience that it has acquired in the constant development of this modern industry that has no smokestacks." That is how Miguel Aleman Valdes, ex-president of the Republic of Mexico and head of the National Tourism Council, summarized his sentiments, when he was approached by a newsman from Caracas who asked him a question in this connection, on the eve of the closing of the Sixth Tourism Tianguis. The Tianguis is an Aztec expression from the native Mexican vocabulary that is equivalent to "services market," according to its meaning and application. Now, in Acapulco, it has just been opened in its sixth version and has assembled in its incomparable setting some 3,000 guests from abroad who formed a large group consisting of tourism operators, travel agency wholesalers, newsmen and top-level executives associated with this industry. The Aeromexico Airline has a double fortunate function in this Sixth Tianguis in its role as host, shared with the National Tourism Council, and as transportation bridge between the four cardinal points in the world and Acapulco. It should be said in just gratitude, that Aeromexico showed marked deference toward the Venezuelan delegation and the courtesies that started in Caracas, at the initiative of the management headed by Ruiz Sotomayor and Maximo Constantino, were promoted in the local areas by the directors of Public Relations and Press, Servando Gonzalez and Mario Maraboto. On his part, the head of the National Tourism Council and former president of the Republic, Miguel Aleman Valdes, stated that tourism represented a revenue of approximately \$1.7 billion for Mexico in 1980, far surpassing other export items, with the exception of oil. "Venezuela," he told the newsmen from Caracas, "has natural beauties that lead to serious thought about developing its tourist industry, with the certainty that it would soon attain goals as substantial as the ones now reached by Mexico. And we are here to assist you in all that you require," he emphasized in conclusion. [Excerpt] Caracas EL UNIVERSAL in Spanish 19 Jun 81 p 2-17] 10042

CSO: 3010/1497

GOVERNMENT WARNS BUSINESSMEN AGAINST STRIKE

PY162126 Buenos Aires HERALD in English 15 Jul 81 p 11

[Text] (NA)--The Economic Federation of the Province of Buenos Aires (FEBA) was warned yesterday that if it carries out the planned business strike on 5 August the government will enforce the industrial security law, 21,400 which calls for penalties of up to 10 years in jail for participants and instigators of business and union strong-arm measures or strikes. The warning was issued by assistant labor secretary Commodore Hector Pedrerol to FEBA President Felix Vallarreal in a meeting at the Labor Ministry.

After the meeting Villarreal said that the action called for by FEBA is "within (the bounds of) the process" and that it is not the group's intention to "harm" the government but on the contrary "to support it and make it aware of" the severity of the situation and the need to adopt measures to resolve it.

He expressed his "hope that the economic measures which are soon to be announced will represent a respite and thus bring about a change in the (FEBA) decision."

Apart from the closedowns, FEBA plans to organize shop black-outs on 22, 23 and 24 July as part of its demand for an "emergency economic plan."

Villarreal said that Pedrero had told him of the implications of industrial security law 21,400 for those involved in the FEBA show of force. Villarreal admitted that "there is no arguing with this on a legal basis" but said that he had pointed out to the labor official "the degree of calamity that the business community is suffering and the need for urgent action to reverse this situation."

The FEBA president said he did not know whether the organization will call off its planned action because the decision will have to be made by the directors.

CSO: 3020/127

GRONDONA EVALUATES MARTINEZ DE HOZ' FIVE-YEAR PERFORMANCE

Buenos Aires A FONDO in Spanish Jun 81 pp 6-7

[Text] At the most crucial moment of the "crisis of confidence" which accompanied the devaluation of 2 June, Argentine political circles appear to have been forming a triangle of divergent opinions whose "sides" could be described as follows: the Viola-Sigaut government was acting in such a manner as to make it apparent that they had great reservations about the state in which they had received the country from the Videla-Martinez de Hoz administration, but at the same time they gave the impression that they had not come to the point of explaining to public opinion the real content of that inheritance. Meanwhile voices more extreme than those of Viola-Sigaut were raised which questioned with harsh words not only the methods of management of Martinez de Hoz but also the economic philosophy which prevailed during the 1976-1981 period. Finally a third sector, pro-Martinez de Hoz, adhered to a strict orthodoxy with regard to the Videla-Martinez de Hoz legacy and appeared inclined to denounce Viola-Sigaut, from that orthodox point of view, as deviationists in the National Reorganization Process.

In the midst of this three-cornered debate, which is still going on, what emerges clearly is that Argentine political circles have left behind, as an inexplicable fact, the significance of the Martinez de Hoz legacy, like an impregnable fortress. In this sense the country is like a person who is not able to absorb, to take in the meaning, of an episode or a basic stage of his recent past. Everything indicates that as long as it does not do so, it will not be able to move forward energetically.

Thus the immediate future requires that we as a community should explain to ourselves the significance of our recent past. This is the condition for continuing a march which can only be forward if this time we are really going to establish the stable republic.

We believe, going more deeply into the subject, that the three "sides" of the triangle of opinions which rotates around Martinez de Hoz' legacy are in one way or another, in error. To begin with, the government is in error when it allows the obvious discrepancy between measures which imply a far-reaching revision of Martinez de Hoz' legacy and absolute silence regarding the criticism of that legacy. It is impossible to do something which is very different from one's predecessor and to say at the same time that one is continuing his line of action.

In the face of this the people can only feel perplexed and even suspicious. The enemies of the philosophical concept embodied by Martinez de Hoz were encouraged to propose the total abandonment of the 1976 plan when they became aware of the discrepancy between the government's words and deeds. They assumed that Viola-Sigaut's silence contained the seed of a 180 degree turn and they wanted to be at the head of the new wave. On the other hand that discrepancy caused those jealous custodians of the Process initiated in 1976 to raise defenses against "any" deviation, even the most insignificant: if someone says that nothing is changing and nevertheless introduces important changes, shouldn't one take warning with regard to his intentions?

But the government was mistaken when it judged that if it dots the I's and crosses the T's with regard to the Martinez de Hoz legacy, any criticism that it might express could be taken as a criticism of the Process as such or of the military junta itself, which were one and the same before and after 29 March of this year. In making that mistake, it shows that it has not understood the true nature of what happened on 29 March: that the same system--that of 1976--has given birth to its second government, which implies continuity on one plane--on the system's philosophical plane--and lack of continuity on the other--the practical day-to-day plane of the government. No one can take offense at revelations regarding the first government by the second on the level of concrete measures, where the second government has the right and the duty to change what it deems is necessary...Otherwise why was the mechanism of changing governments invented?

The solution to the difficult problem which Martinez de Hoz' legacy presents came at last by an indirect route. Among those who have come forward with a complete refutation of Martinez de Hoz, even going so far as to question the philosophy of the Process of 1976, is Humberto Volando, president of the Argentine Agrarian Federation. In confronting him, the man who was the first national Secretary of Agriculture and Livestock, Dr Mario Cadenas Madariaga, traced with a firm and precise hand a dividing line through the Martinez de Hoz legacy. On one side of the dividing line is the economic philosophy of the National Reorganization Process, a philosophy whose main characteristics were put into reality by the Videla-Martinez de Hoz team during the first years of its administration. That philosophy, which upholds the principles of free enterprise--the opening of the economy to competition in the domestic and foreign markets, free pricing and interest rates, free exchange, defense of private property and initiative, a subsidiary role of the state--is the permanent segment of the Martinez de Hoz legacy and should be respected by all those who wish to promote among us a politically and economically free republic. The second part of the Martinez de Hoz administration, on the other hand, was devoted to directing the instruments and principles established in the first part toward a priority campaign against inflation. The valuation of the currency was subordinated to this campaign. Added to this in the course of the 5-year period was utter timidity regarding the implementation of one of the basic principles of a free economy: a revision of the role of the State. Because of an impatient and excessive concentration on the anti-inflation struggle on one hand and because of the omission of an effort to reduce the role of the state, on the other, the second part of the Martinez de Hoz legacy was negative. What must now be done is to separate the wheat from the chaff and move forward.

This is what the government should do publicly with regard to that part of the legacy of Martinez de Hoz which is not acceptable to the intelligence of the Argentinians. It must separate the wheat from the chaff, put the wheat in the bin and toss the chaff into the fire. While the wheat corresponds to the principles and the bases of what was planted in 1976, the chaff came into being much later and it is, if you look at it from the proper perspective, secondary. It is annoying, very annoying, but it is secondary. The thing to do is to return to the philosophical channel of the Process, disengaging it from its unfortunate applications, and to say what is being done, explaining to all where we are and where we are going.

If the government "side" of the prevailing dialectical triangle thus clarifies its attitude, the other two sides will immediately lose their reason for being. One, which goes so far as to question the philosophy of 1976, will expose its statist, socialist content and it will not be able to conceal its links with the Gelbard political philosophy. The other will prove that to exaggerate the leadership principle and orthodoxy is to mistake the branches for the roots. To defend the Martinez de Hoz legacy as an indivisible whole is to lose the sense of order and proportion. The defense of a principle such as private ownership of the means of production, which forms an essential part of the Western concept of life, cannot be placed at the same level as a specific monetary policy. To fight to the bitter end for the latter would be the same as to die for the metric decimal system. To fight for the former, however, is to fight for non-negotiable ideals. The orthodox should dissociate themselves from everything of the 1976-1981 era which is ancillary; that is precisely the part of it which is most vulnerable and disputable, the part which planted discord and dissension. Once this instrumental aspect is corrected the principles should indeed be defended vigorously. The Argentina of 1981-1984 should be a country which resumes the construction of a free economy as an indispensable part of the stable republic which it aspires to be and which at the same time dissociates itself from errors of implementation which took place along the way. Once this point of view has been adopted, Martinez de Hoz' legacy can rest in peace. Once harmony has been re-established at the very bottom of our understanding it will be possible to move forward and really attack the principal question of the second period of the National Reorganization Process; the foundation of political institutions which correspond, along with the economic, to the same concept of freedom.

Mariano Grondona

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CSO: 3010/1501

LABAKE SAYS MRS PERON 'POLITICAL PRISONER'

PY170001 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1313 GMT 14 Jul 81

[Text] San Miguel de Tucuman, 14 Jul—The former national deputy and Peronist leader Juan Labake has stated that Maria Estela Martinez De Peron's silence and her refusal to contact leaders of the Justicialist Party are not "voluntary" but an "imposition of the military government" and added that the former president "is still a political prisoner."

"She is just enjoying a partial, restricted freedom," Labake said. He indicated that the former president "is bodily free but legally on parole" and that "at any time it should deem appropriate" the court "can order her arrest."

At the same time, Labake said that "massive popular rejection of the current government is approaching." Although he did voice support for the multiparty call issued by the radicals, he said that "it would be foolish for us Peronists and radicals, the victims of the process, to throw a line to save the government," from this display of opposition which he believes imminent.

The former deputy, who visited this city to contact local political leaders, said that "the government must tell the truth about this matter: Isabel is still a political prisoner of the regime."

"Her body" he went on to say, "may be free but she is not free to say and do as she pleases."

Labake also said that "once again the government has tried to wash its hands of the matter by making the courts issue unacceptable punishments such as 7 1/2 years of imprisonment, a 4-million peso fine, permanent cancellation of political rights and confiscation of assets."

He also spoke about the call addressed by the radicals to various political parties and social sectors to draw up an emergency plan, pointing out that he shares this attitude "because it seeks to bring peace to the nation."

He stressed, however, that "quoting Pope Paul VI, peace is the result of justice. Therefore," he said "I believe that Peronists should not enter into agreements with other parties if these parties fail to undertake the commitment to demand from the military regime the annulment of Isabel's unfair sentences and the unrestricted respect for popular will."

DEMOCRACY SAID TO BE OBJECTIVE OF REORGANIZATION PROCESS

PY150123 Buenos Aires TELAM in Spanish 1225 GMT 12 Jul 81

[Excerpts] La Plata, 12 Jul--(TELAM)--Doctor Jose Antonio Romero Feris, political adviser of the president of the republic, has stated that democracy is a clearly defined objective in the national reorganization process and that the basic motive for its full implementation is the existence of political parties.

Romero Feris made these remarks during an interview broadcast by Radio Provincia. Asked whether politics must be subordinated to the economy, he stated that he thinks that the economy must be subordinated to politics because it is through politics that the overall objectives of the country are established. The economy is a means which must guarantee a more just distribution of revenues to avoid unequal developments.

Romero Feris insisted on the need to put an end to nonelective appointments [medocracia] and with the handling of small groups of persons who decide the future and fate of a political force. He called himself a defender of the full implementation of a party democracy as a prerequisite for the implementation of an authentic democracy in Argentina. He also said he was against open elections which in some cases are suitable for deceitful maneuvers, which in conclusion, prevent the will of most members to decide who will be their candidates, while they should be the only ones to participate in the designation of officials or in nominating candidates.

To give an example of this, the presidential adviser took the case of Ricardo Balbin, chairman of the radical civil union board: supposing that once the political parties statute is approved, and supposing that it provides for internal elections. If Balbin is again voted for president, how can we talk about being opposed to his election because he is an old-time leader? I accept all men who are representative of the desire of the party members.

In answer to a question, he said that there are sectors which try to destabilize the government, thinking that they could obtain everything for their own benefit, and there are also those who contribute to explaining the national problems, and they have a mature and intelligent position regarding the process.

Romero Feris stated that the process is neither exhausted nor isolated. There is too much public evidence that there is a tendency to hold talks seeking conclusive and stable solutions for a country which, if not now, will be different, without resorting to easy solutions which might turn us back to the past.

Regarding freedom of the press, he stated that the process has always allowed the communications media to express themselves freely, whether to express the opinions of the different sectors or the editors' thinking. I do not think that there may be any sectors in the country which may have been prevented from expressing their opinions or declarations through the different communications media. In this regard I am convinced that there is absolute freedom of the press.

CSO: 3010/1566

LABOR LEADER UBALDINI INTERVIEWED

PY192221 Buenos Aires HERALD in English 18 Jul 81 p 7

[Undated interview with Argentine General Confederation of Labor Secretary General Saul Ubal dini by Luis Varela and Nestor Restivo; place not specified-- first paragraph is HERALD introduction]

[Text] "Unemployment is our priority number one," says Saul Ubal dini, 38, secretary general of the CGT (General Confederation of Labour). Ubal dini is in this key job at a time when a national protest day is scheduled for July 22 and after walkout action by the motor mechanics' union, SMATA, and the light and power union, signalled the return of industrial action to Argentina.

[Question] The SMATA [Union of Mechanics and Related Automotive Transport Workers] action sparked a series of events which in one way or another have led to the CGT's "protest day." How do you interpret this change of attitude of the workers after five years of inactivity?

[Answer] Well, the general situation is such that people are beginning to demand the answers that we're not getting from the authorities. SMATA, the power men, subway workers and others have been forced into this. We've been promised answers and we haven't got them; we can't see any difference between the governments of General Videla and General Viola.

[Question] Why did SMATA and L Y F [Sindicato De Luz Y Fuerza--Light and Power Union] go out on their own without the CGT?

[Answer] That's one thing we're working on. The CGT wants unity above everything else. The trouble is that after so long out in the cold the unions haven't yet found a common working plan. We're looking for improved communications....

[Question] But L Y F and SMATA are both in trusteeship.

[Answer] Yes, and we've said before that the best trustee in the world is not as good as the worse union leader. There comes a time when the rank and file go out on their own. Besides, salaries are not worrying us so much, right now, as unemployment.

[Question] Do you accept the official figure of 4,000,000 underemployed?

[Answer] No, we think there are more than that. Every day you see more door to door salesmen, street stands and other people who are "doing something" but don't have a steady job.

We feel that a deliberate political attempt has been made to kill local industry and return to an importing economy. Some people have said the March 29 government change has brought with it an improved attitude on the part of the authorities. We can't detect it. Workers are as badly off as ever. Factory closures and layoffs seem to be actually increasing.

[Question] What's protest day for? Do you have support in the interior?

[Answer] Yes. The problems aren't exclusive to the capital. On the contrary, they're worse outside. Basically protest day means coming out against factory shutdowns. We want to defend what it's cost so long to build up.

Factories shut down, more and more unemployment and meagre salaries all add up to one thing: hunger. I want to make clear there's no second meaning in all this; all we want is for the CGT's legitimate voice to be heard. Protest day, by the way, does not violate existing regulations.

[Question] And after that, what?

[Answer] This isn't the end, it's only the beginning. We want social peace and do not like to have to resort to this sort of thing, but we can't see any other way out.

[Question] Obviously one major demand would be a minimum wage. How high would that be?

[Answer] The CGT's evaluated this and keeps on evaluating it because prices go up all the time. We want to build up a "family breadbasket" and Article 14 of the constitution supports us. But let me repeat: priority number one is not so much salaries as unemployment.

[Question] CNT-20 [Comision Nacional de Trabajadores -- Intersectorial Labor Commission] wants a three-party meeting--the government, businessmen and its unions. How do you feel about this?

[Answer] We've already given our view. I'd like to ask them where they expect to go with all this.

The real working class is for the CGT. At popular level they're all talking about us; look at how they mentioned us during the ceremonies on the anniversary of Peron's death. There's no way you can wipe out the CGT with a stroke of the pen.

[Question] Is this action taking place because the government is unbending or because the workers are more restless than they were?

[Answer] The workers have the right to say that they don't like the way things are being run. The door was shut tight but the worker's movement is forcing it open. When unions are free again the individual unions will do their proper job and the entire movement will be a united one.

We're a legitimate force. They can't take that away from us as they took legality away in 1976.

[Question] Is the CGT more political than trades union? Specifically, isn't it a Peronist organization?

[Answer] We are neither sectarian nor do we want to keep anybody out. We want to listen to everybody who has something legitimate to say. There is a relationship with justicialism, of course; the vast majority of the workers are Peronists.

[Question] You too have been invited by the radicals to multiparty meetings with a wide base. Are you going to go?

[Answer] Let the politicians confer--we feel that's something very positive. But we're doing our own thing because right now the politicians can't give us anything.

Politicians can wait more than we can. They want normalcy by 1984; we want it now.

When we go to the meetings, we'll be going with one banner; reduce unemployment.

[Question] How did things work out in Geneva? Why did the government get a year's grace to return the unions to normalcy?

[Answer] We went to Geneva to tell the world what the Argentine labour movement thought of the present situation. We didn't get the year's grace, the official delegation did so we can't really discuss that. The CGT met with many prominent labour leaders and we have been recognized by the ILO and other major bodies.

CSO: 3020/127

POLITICAL DECISION URGED TO OVERCOME ECONOMIC CHAOS

Buenos Aires MERCADO in Spanish 11 Jun 81 pp 14-20

[Text] Foreign exchange has begun flowing in slowly in recent hours, rebuilding the Central Bank's reserves and improving the touchy situation in the external sector. To accomplish this, pressure was exerted on state-run enterprises to take out short-term loans at a high interest rate (close to one point above LIBOR, in other words, the Eurodollar market), and at the same time subsidies were offered to front-line local and foreign capital firms through swap arrangements (transactions with exchange rate insurance) so that dollars would flow into a market that has maintained strong demand for foreign exchange. In economics, everything is a tradeoff, and in this case very high interest rates in dollar terms were paid out, and a decision was made to expend sizable amounts of local money to support the aforementioned swaps. The upshot is that the weakness of our economic system has been straightforwardly disclosed. Thus, Argentina's country risk has risen in recent weeks while its international rating has fallen. In other words, it is becoming more and more difficult to secure loans overseas, to which end the country has to offer higher interest rates for very short-term operations.

Confidence has been shattered in two directions. Locals are sending their capital overseas, and nonresidents are refraining from sending their capital to Argentina. In spite of the lengthy experience that the country has with devaluations, the results of the latest exchange rate adjustments have at least so far been contrary to the objectives being sought, even though over the first 6 months of 1981 the dollar increased 125 percent in value vis-a-vis the peso, in nominal terms. For example, the interest rate that was paid to savers on their deposits in pesos jumped from 90 percent a year for 30-day deposits to no less than 130 percent, some 10 percent a month, which necessitates charging 13 percent interest on loans. This means that there is a real Sword of Damocles hanging over the head of the current economy, treasury and finance minister. The message from now on will be the figures for inflation, unemployment, loss of real wages and the falloff in economic activity; in other words, recession with inflation.

Economic agents and even most officials have the impression that a program has not yet been worked out and that every 2 or 3 weeks a patchup job is done without ever taking definitive measures towards basic solutions. This situation has prompted more than one critical comment by Executive Branch ministers then-

selves, and some of these criticisms have been voiced so stridently that they triggered the loss of several hundred million dollars. No one knows what the exchange rate policy is, and because of the lengthy series of changes in it, people mistrust any announcement in that regard; tariff-setting is still on an erratic course, and it will allegedly not be until the end of the year that policy in this regard will begin to be spelled out; people have the impression that major changes will be made in the financial system; the final 1981 budget is still a mystery (see end of article), in spite of its significance in the economic system; changes have again been introduced in the handling of wages, applying the method of payroll adjustments, and there are no indications that progress has been made in designing an industrial policy.

The panorama is complicated by the bothersome economic decision-making mechanism, as a result of the alteration of the previous structure of the ministries. At least this is what the ministers themselves have said unofficially.

The recent increase in minimum cash holdings ordered by the Central Bank would seem to indicate that the authorities have lost some degree of control over monetary policy in spite of the added intervention on the foreign exchange market in the form of the resurrected swap operations. This could be interpreted as a sign that Minister Sigaut's intention to pursue an active monetary policy in the future is steadily fading.

What it means in concrete fact is that the much-criticized monetary approach to the balance of payments has been preserved and that the creation of "primary" money depends basically on the inflow of foreign exchange, to which end the domestic rate has to be appreciably higher than the external interest rate. More correctly stated, the domestic interest rate must be equal to the sum of three variables: the external interest rate, the rate of devaluation of the peso and a risk coefficient. The latter factor has turned out to be fundamental, and the current economic authorities have underestimated it.

After the massive 30 percent devaluation in early April (the last one because the claim at the time was that real parity had been achieved between the peso and the dollar), Minister Sigaut sent a "signal" to economic agents: from then on, the parity of the peso had to be adjusted only 2 percent a month so that it would not be overvalued. A few weeks later the rate was doubled, as he considered a 4-percent-a-month increase necessary.

At that time the domestic interest rate on deposits was about 9 percent a month, whereas dollar-denominated loans could be taken out at about 20 percent a year interest, which is equivalent to 1.5 percent a month. Given a devaluation rate of 4 percent a month, plus an interest rate on dollars of 1.5 percent, the cost of borrowing dollars overseas was around 5.5 percent a month. It was, therefore, a very good business to borrow dollars at 5.5 percent, convert them into pesos and deposit them in the financial system at 9 percent. If the interest rate spread was so attractive, how do we explain not just the drying up of foreign exchange inflows but also the Central Bank's sizable reserves losses in recent weeks?

The reason was that market traders, the public and business no longer believed that the devaluation rate announced by Minister Sigaut would be just 4 percent a month, attaching extraordinary importance to the risk factor. Traders did not believe the promises that the exchange rate would be kept within the announced range. Since the public and business expected a devaluation rate of more than 4 percent a month, the spread between the return on deposits in pesos and the expected cost of external credit narrowed. To top it off, the specter of exchange controls created by the sworn statement required to purchase foreign exchange added another element of uncertainty. In order for foreign exchange to be sold, people must know for certain that they will also be able to buy dollars in the future.

While the authorities hoped that economic agents would believe that the devaluation would be just 4 percent a month, the public was skeptical. As a result of this lack of confidence about the future value of the dollar and because the Central Bank continued to defend the value of the dollar in the marketplace, the public kept buying dollars from the Central Bank, which led to a loss of reserves. The more reserves were lost, the more the public mistrusted the authorities' ability to defend the dollar. The views expressed by Commerce and Maritime Interests Minister Carlos Garcia Martinez in a morning paper heightened expectations until finally, on Tuesday 2 June, another 30 percent devaluation, prompted by the market, was ordered. One of the hallmarks of this process has been that action by the economic authorities lags behind events. To the devaluation they added another measure that a segment of the market had suggested: subsidies to attract foreign exchange through swap operations with exchange rate insurance, a sort of "supertable."

While it is true that by late 1980 the public had become somewhat mistrustful of the economic system, credibility was severely eroded by the 10 percent devaluation on 2 February. The subsequent 30 percent correction in early April, despite a presidential communique that the scheduled corrections would be just 3 percent a month until August, wound up breeding deep mistrust of official announcements. The intuition of economic agents served them well when they wagered on another major devaluation, which came to pass early this month.

Doubts have not yet been completely dispelled, inasmuch as there have been official announcements of new economic recovery measures in addition to the wage regulations. This is because the battle against inflation is obviously no longer the priority it was under the former administration. Jorge Aguado, the minister of agriculture and livestock, admitted publicly himself that the battle has been relegated to secondary status. In other words, through statements and actions the current authorities have decided to pursue a program based on inflation as a means of buoying economic activity. Everyone is wondering, however, how long the economic system can hold up under renewed outbreaks of inflation, compounded by systematic devaluations. The assumption is that devaluation as an economic tool has to give out at some point and that inflation, which is a tax on the money that people have in their pockets, will dampen demand and consumption. Moreover, we must not forget that a devaluation entails a decline in real wages and together with mounting unemployment could drag consumer income downward.

A devaluation is not a magical expedient that creates wealth; it is a tool for distributing income that forcibly transfers assets from some sectors to others. Who have the losers been during the first half of 1981? On the one hand, savers, whose assets have contracted to the extent of the devaluation. This means that it will be very hard to take them by surprise with further exchange rate adjustments.

Savers have two options. The first is to accept a liability of the United States Federal Reserve System, the dollar in other words, at a time when President Reagan is engaged in bolstering the value of the American currency. This means that a dollar is going to buy more now than under the Carter administration. The U.S. authorities know that a devaluation is tantamount to a political defeat in the public's eyes because it means detracting from the value of the currency. That is why they decided to take the path of strengthening the value of the dollar.

First of all, they put the problem in the following context: a dollar can be spent by the government or by individuals, and since expenditures by individuals are more efficient than government outlays, it should be the private sector that engages in such transactions. They also realize that a dollar can be invested by government or by individuals. A similar decision was made: investments should be made by private individuals. They therefore decided to cut government spending to reduce the deficit and, at the same time, to begin lowering taxes. Thus, the State is spending and investing less so that the private sector can spend and invest more money more efficiently. There is the conviction in the United States that excess government spending causes budget deficits and inflation, which lessens the dollar's buying power.

The other option for savers is to accept a liability of the Central Bank of the Argentine Republic, which is called the peso. In this instance, government policy is inflationary, which means that over time the peso will buy fewer goods. It is not surprising then that savings levels should remain where they are, except that the currency used to defend personal assets is the dollar instead of the peso. In this context, the purchase of dollars is in no way an irrational act.

The other group that loses out consists of persons who work for others. In an open economic system, with marketable products that can be exported or that compete with imports, a devaluation causes their prices to rise. The prices of products that compete with imports rise because the latter become more expensive, which provides room for price boosts for the former. The prices of exportable goods also rise, however, because they become more competitive overseas, and if they can be sold with a higher price tag abroad, why sell them cheaply on the domestic market? The problem arises in Argentina because the proportion of marketable goods is very high, and a jump in their prices pulls the prices of other products upwards too. The whole matter is complicated by the longstanding experience that the various segments of society have with inflation, and no one wants to get left behind when it comes to income distribution. Although it is true that the recessionary climate has delayed the impact of a cumulative

devaluation of 125 percent over the first 6 months of the year, most observers feel that there will be a major impact on prices over the next few weeks. The sharp jumps in beef cattle and meat prices are recent examples of how this mechanism operates.

The difficulties are compounded by the budget deficit and the creation of money that it entails. Demand is thus pressuring supply, and sooner or later the excess money will be channeled into foreign exchange purchases, which will prompt balance of payments problems. And worse still, if people do not have confidence, the pressure on the exchange rate will become intolerable.

The mechanism that comes into play is quite different when an economy is closed and the proportion of marketable goods is small (precisely because the economy is, in fact, closed). In this case, a devaluation affects mainly the prices of marketable goods and does not pull along other prices too quickly; thus, there are changes in relative prices. At the same time, there is an improvement in the balance of payments because more marketable goods are exported and fewer items are imported.

Wage earners also come out losers. The question is for how long. The answer depends on their political clout to demand income boosts and on the depth of the recession as a result of lowered demand.

The net winner in a devaluation is the State, inasmuch as it has used the inflation tax to finance its uninterrupted growth over the past 10 years. The farm sector also posts profits because a devaluation means greater income in pesos for each dollar of exports.

The advantage to industry is that competing imported goods are more expensive; however, its inputs also carry a higher price tag. Although industry is thus more competitive overseas, it is also true that several months pass from the time that the exchange rate is modified, it can buy raw materials, manufacture goods and place them overseas. In that space of time inflation could erode the advantages of a devaluation.

To many people, Minister Sigaut has made a series of mistakes. The 30 percent devaluation in April, with the reestablishment of withholding (which will yield the greedy Treasury no less than \$450 million) and a cut in tariffs, was followed by another 30 percent devaluation early this month that did not include any sort of compensation, even though tariffs were boosted in the interim. This suggests that he neither knows what he is after nor has a fully delineated economic program. The fact is that the objectives of the two devaluations are different with regard to the possibility of industry and farming rebuilding their profit margins, of altering the relative prices of marketable and non-marketable goods and of cutting interest rates.

As far as this last goal is concerned, we should point out the error in judgment on the part of those who argue that a high nominal interest rate could turn out to be negative in the wake of a strong surge in the rate of inflation. The people who hold this view are as mistaken as those who suggest eliminating budget deficits by raising taxes.

The situation in industry, which is allegedly in much worse shape than farming, is critical. It is only with great difficulty that the Argentine Industrial Union (UIA) is able to sustain the burden of businessmen from the interior, who are calling for an emphatic statement spelling out the failure to aid the sector through rediscounts and demanding in-depth solutions. After talks with the authorities, the union decided not to give in to this pressure and to put off issuing the statement in question.

To make up for this, business leaders began talks with the minister of industry and mining, Eduardo V. Oxenford, to delve fully into the issue that most concerns them: business debts. The ratio of debt to capital is staggering in many cases, and the interest on credit liabilities leads, in turn, to further indebtedness. And though it is true that progress towards developing an industrial policy and defining import tariffs is very important, the problem of indebtedness and how to overcome this situation has priority for the private sector.

According to UIA spokesmen, the rise in interest rates has offset the benefits of "watering down" peso-denominated debts through the devaluations. A solution must involve an arrangement by which the debt can be reduced once and for all by means of a bond that the Central Bank would take out or simply by canceling part of the debt. The cost would be absorbed by the entire country, through the Central Bank, in order to allow private businesses to keep operating.

If such a solution takes shape, it would again mean that the authorities are lagging behind events, unable to foresee and get out in front of developments.

The country's economy is operating amid erratic interest rates, unpredictable increases in the rates of state-owned public utilities, high taxes for those who pay them, a market that is becoming increasingly recessionary, with an indecisive handling of import tariffs, official announcements that are systematically contradictory, widespread mistrust and measures announced with great theatricality but which in reality hardly address our underlying problems.

If our leaders were to really succeed, however, the outlook would be quite different. Our production structure has been damaged but not destroyed, as illustrated by a good supply of industrial products, a generous supply of farm products and a reasonable availability of energy resources. A bonanza is knocking at the country's doors, and all that is required is a political decision to take steps to put the State's financial house in order and to begin rectifying the degrees of public and private sector involvement in the economy.

The Unknown Budget

Even though 1981 is 6 months old, this year's General Budget for the National Administration has not yet been made public, perhaps for the simple reason that it does not exist. The estimates prepared by the previous administration in consultation with the current authorities through the then Secretariat of Planning (as was reported at the time) were again examined and modified after March. Little remains of the original estimates, however, according to unofficial information gathered by the Undersecretariat of Finance and other State agencies.

Efforts have been made, however, to recalculate approximate revenues and expenditures, but no one can specify the precise figures for the 1981 budget. Finance Undersecretariat experts pointed to the following factors that wound up shattering the budget design:

--As a result of massive devaluations and periodic adjustments, the exchange rate has been adjusted by about 125 percent in nominal terms over the first 6 months of the year, compared to 24 percent last year.

--There will be a three-digit inflation rate this year, whereas it was just in double digits last year.

--Economic activity will be slower than originally estimated, which will show up in a several point drop in the Gross Domestic Product.

--An erratic combination of import tariff levels and devaluation rate. The downward trend in 1980 (tariffs and exchange rate) has been reversed, with a foreseeable falloff in import levels.

--The salaries of government employees will be adjusted higher than originally envisioned.

--There will be a sharp increase in taxes, which will hit a record equivalent of 30 percent of the GDP, as a result of higher import tariffs and a higher exchange rate, the introduction of withholding and an increase in domestic tax quotas. The feeling is that more tax evasion will go hand in hand with higher taxes.

In a number of cases, it was commented, the above factors will mean increased revenue, but there will be unestimated declines in others, which makes revenue and outlay calculations just rough estimates. The sharp ups-and-downs of the economy do nothing to improve the estimates either. The federal budget is very important because of the State's mounting involvement in the economy, and in order for it to be consistent many decisions have to be made in various spheres of the cabinet.

On the revenue side, the government has to set the prices of the public sector's goods and services, decide on adjusting the various taxes, determine the impact of new import tariffs and withholding on receipts and work out a foreign and domestic debt policy. As far as expenditures are concerned, it has to decide on investment levels, the salaries of civil servants, the level of public sector employment, subsidies, and spending for defense, public education and health care.

Since inflation and exchange rate trends have to be estimated in drafting the budget, it reflects much of the economic policy that will mark a given period. The basic issue is that all indications are that tax revenues will be smaller than outlays and that therefore the Treasury will have to make up the difference to finance the growth of government. The missing funds will come from the inflation tax or domestic and foreign borrowing by the public sector.

The impression is that both expedients will be utilized intensively. The inflation tax will rise because the government has conceded that the extension of the VAT, its main genuine source of revenue, will prompt a decline in tax receipts because it will not make up for the loss in revenue from the taxes that have been repealed. Although the cost of collecting the VAT is, in fact, lower than for other taxes, officials are not hiding their concern that evasion is on the rise and probably far above 40 percent, which was the last estimate by the previous administration.

The Treasury deficit for the first quarter of 1981 totaled 3.78 trillion pesos, a 103 percent increase over the same period last year. A significant factor in this result was the more than 2 billion pesos in transfers to the social security system. Since these remittances to the Ministry of Social Welfare, which are to compensate for the elimination of employer contributions, are deducted from gross Treasury revenue, overall revenue declined 14 percent in real terms in comparison to the first 3 months of 1980. All in all, the deficit is equivalent to four percent of the GDP. It would not, of course, be fair to extrapolate this result through the rest of the year, but any improvement will have to stem from a major effort by Finance Undersecretary Jorge Berardi to convince many government sectors to cut public spending.

According to a recent study by the Argentine Chamber of Commerce, government spending increased in real terms by 4 percent in 1979, 22.6 percent in 1980 and 15 percent so far in 1981, an overall 50 percent rise since the end of 1978. The chamber suggested that state-owned, including state-run, enterprises be urgently returned to private hands and that the government immediately take action to demonstrate its determination to do so, in order to reestablish public confidence. It added that unnecessary or overlapping agencies had to be abolished because instead of promoting administrative efficiency, they thwart it, that at the same time projects be cut back as much as possible and that the government undertake only the ones that are absolutely essential and in keeping with a state of emergency and an austere administration.

It also suggested that official guarantees and local loans to risk operations on public works be eliminated, so that the concessionaires would be forced to invest, thus averting pressure on the domestic money market and achieving interest rates that are more in keeping with the world market. It feels that it is important to dampen the government's demand for money through a better handling of funds and to have more coordination of economic policy with other official sectors, such as the Government of the City of Buenos Aires, inasmuch as its taxes affect costs in an area with one-third of the country's population.

8743

CSO: 3010/1515

FORMER POLICE CHIEF RELEASES TAPES OF TIMERMAN INTERROGATION

Campa Releases Tapes

PY201532 Buenos Aires GENTE in Spanish 2 Jul 81 pp 4, 6-8

[Fragments of interrogation of Argentine journalist Jacobo Timerman, former director of newspaper LA OPINION; Enrique Jara Paganí, deputy director of LA OPINION, and Lidia Papaleo de Graiver conducted at the headquarters of Buenos Aires provincial police in April 1977, as released by former provincial police chief, Brig Gen (Ret) Ramon Juan Alberto Campa. Asterisks published in source to indicate omitted passages]

[Text] [Question] Name?

Timerman: Jacobo Timerman.

[Question] Where were you born?

Timerman: In Russia.

[Question] When?

Timerman: In 1923.

[Question] When did you come to Argentina?

Timerman: In 1926.

[Question] How old were you at that time?

Timerman: Five years old.

[Question] Where did you study?

Timerman: At the primary school on Saavedra and Rivadavia Streets, and at the National Bartolome Mitre Secondary School.

* * *

[Question] What did Graiver do?

Timerman: He worked at a bank. His family controlled the bank.

[Question] What bank?

Timerman: The La Plata Commercial Bank.

Timerman: I made the same proposal to Graiver there. The same proposal I had made in the case of "Primera Plana" and "Confirmado": I would take over because I want to be the director and wield real power. Thus LA OPINION was born.

[Question] How were the shares of LA OPINION distributed?

Timerman: At that point Graiver held 45 percent. I held 45 percent and Rottenberg held 10 percent.

[Question] Who provided the backing?

Timerman: The La Plata Commercial Bank.

[Question] Who managed...?

Timerman: Mr Graiver

* * *

[Question] Did LA OPINION published articles which eulogized the extremists slain in Trelex?

Timerman: Yes, sir.

[Question] Why was this done?

Timerman: Because of my incapacity or my complicity.

[Question] Make yourself clear, incapacity or complicity?

Timerman: Both, sir.

* * *

[Question] Timerman, when the industrialist Oberdan Salustro was murdered, did you receive any kind of message?

Timerman: From one of the editors of the political section.

[Question] From whom?

Timerman: Pasquini Duran. I had gone down to the editors' room to check over the material which was going to be published on the affair because I did not want

to have any unpleasant surprises sprung on me. Thus, I was sitting at one of the desks in the editors' room where there are no partitions and desks are close to each other. He approached me and said: "There is a rumor that Salustro is well and that he is playing his favorite game: chinchon [similar to gin rummy]" and he said something else which I do not recall right now.

* * *

Timerman: I just wanted to tell you that we have had two good offers. You must have noticed that our newspaper has given a great deal of support to the U.S. foreign policy. The U.S. Embassy has given us recommendations for the Eximbank, which is the largest U.S. credit institution for the foreign market. Last year the Eximbank had rejected our request and now we have been told that they are prepared to give us a loan without any collateral to purchase Harris machinery. At the same time Plamac of the GDR gave us a loan, also without collateral, to purchase another machine in view of the Marxist leanings of the newspaper. These are just two offers which we have. I have not decided anything yet.

* * *

[Question] Did the overall slant of the newspaper and the tasks which you carried out in the various sections comply with the democratic principles advocated by Mr Timerman?

Jara: [Enrique Jara Pagani, deputy director of LA OPINION] Well, not the way you state it. Not entirely, no.

[Question] Why?

Jara: Because Timerman included material which did not adhere to these principles.

[Question] What was the slant of this material and who supplied it?

Jara: Notorious Communist Party leaders supplied some of this material and it got published.

[Question] Can you give us a few examples?

Jara: Agosti, Jesus Mira. These are the ones I can remember right now.

[Question] What news agencies did you work with?

Jara: At some point, PRENSA LATINA and INTERPRESS were contracted. This was done by Timerman directly.

[Question] What is the tendency of these news agencies?

Jara: I believe that PRENSA LATINA is not even a news agency. It is a propaganda agency of the Cuban Government. The stated ideology of the Cuban Government is Marxism-Leninism. The INTERPRESS agency is somewhat more erratic. It is not professionally respected. Mr Timerman contracted with these two agencies, included them in our newspaper's coverage without any explanation whatsoever.

* * *

[Question] You had established an editorial policy for the newspaper?

Timerman: Yes, sir.

[Question] Which one?

Timerman: One that would cover the entire leftist range of news.

Jara: Tell me, Jacobo, did you ever tell me about this idea of covering the entire leftist range of news? Did you, at any point since I joined the newspaper and up to now, tell me about this?

Timerman: How can I recall whether we discussed the subject at some time or not?

Jara: But this is essential. If you tell me that the slant of the newspaper is Marxist, it is essential.

Timerman: Of course, but....

Jara: Did you ever tell me that you wanted to publish a Marxist newspaper? Is it not true that every time you came up with an obviously Marxist article and I questioned your actions, you used to tell me that I just did not like Marxism?

Timerman: What I meant was that....

Jara: Tell me, Jacobo, when you made up your mind that Spumber should take over the cultural supplement, did not Ramiro, Clur and myself tell you that putting Spumber in charge of the cultural supplement would be tantamount to letting Tomas Eloy Martinez do it?

Timerman: And how long did he last? One month?

Jara: There is something that I have found out in these days, Jacobo. You have been using us miserably. Because you never told us that you wanted a Marxist newspaper. Because if you had explained this, not only myself but all the people who were working in the newspaper, anyone in the least responsible or with any convictions at all, would have left the newspaper immediately; and it would have cleared up things which I have had to clarify now with a great deal of effort.

* * *

[Question] As to your own personal leanings, Timerman, what are your ideological views?

Timerman: I believe that ideologically--which is a political and not a philosophical concept--I am a leftist. An anticommunist leftist.

[Question] Is your leftism of Marxist origin?

Timerman: Not necessarily so. Not all leftist ideologies come from Marxism. There is socialism, for example, which does not originate from Marxism.

[Question] Which socialism?

Timerman: What they call here Americo Ghioldi's Socialist Party.

[Question] Come, come, Timerman, we are speaking seriously. Ghioldi's socialism is not being disputed. Let us not look for ways out.

Timerman: I am not looking for ways out.

[Question] This leftist ideology you are speaking about, where does it originate?

Timerman: The leftist ideology I am talking about stems from Marxism. I am a Marxist-Zionist.

[Question] Well, Timerman, in sum, what is the source of your ideology?

Timerman: Excuse me. I have had a very bad day and I do not wish to bother you... you want to know whether Marxism is the source of my leftist ideology? Yes.

* * *

[Question] What did you want to achieve through your newspaper?

Timerman: I was looking for a sector of the press market which had not already been covered and the left was the only sector left uncovered.

[Question] Then, which specific sector was your newspaper aimed at?

Timerman: At the leftist sector.

[Question] To supply which needs of this sector?

Timerman: Its needs for information, spokespersonship, ideological documents.

[Question] What about information, Timerman, it means dissemination of news, right?

Timerman: Yes, sir.

[Question] Does dissemination imply attracting supporters?

Timerman: It may mean attracting readers or attracting political supporters. In my case it was readers.

* * *

[Question] You were aware and had full knowledge of the impact, the harm which was being done to the interests of the nation?

Timerman: I did not assess its full seriousness at that time.

[Question] Were you fully aware of it?

Timerman: I was fully aware of it.

[Question] Was any article published without your consent?

Timerman: Had this happened I could have published amendments later. I do not wish to deceive you and say that I read everything, but this does not mean that I am not responsible for it.

[Question] When was Gustavo, Inc. created?

Timerman: ...I do not remember...must have been at the end of 1973 or beginning of 1974....

[Question] How were the shares of Gustavo Inc distributed?

Timerman: The same as Olta Inc. (The corporation which published LA OPINION). That is, I held 45 percent, Graiver held 45 percent and Jorge Abraham Rottenberg held the remaining 10 percent.

[Question] That is the way it was until Graiver died?

Timerman: Capital assets had changed long before Mr Graiver died.

[Question] When Mr Graiver died, how were Olta Inc. shares distributed?

Timerman: 45 percent, 45 percent and 10 percent.

[Question] And now?

Timerman: I hold 65 percent, the Graiver family has 5 percent and Rottenberg has 30 percent.

[Question] And how about the shares of Gustavo Inc.

Timerman: I have 68 percent, the Graiver family has 2 percent and Rottenberg holds 30 percent.

[Question] Why did the share distribution of Olta Inc. and Gustavo Inc change so much? What happened?

Timerman: While the building was being constructed and the payments for the presses were being made, Rottenberg and I contributed some capital. Later we called a meeting of shareholders of the two corporations to update everything... to organize it...the appropriate notices were published in the official gazetter and a newspaper, the EL CRONISTA COMERCIAL. Had the Graiver family shown up and paid in some capital they could have retained more shares. But no one showed up at the meetings.

* * *

Lidia Papaleo De Graiver: When I returned to Argentina I met Mr Timerman at the Hotel Alvear cafeteria on the first floor.

[Question] Did this meeting take place, Mr Timerman?

Timerman: Yes, yes. I have told you about it, too.

Lidia Papaleo De Graiver: It must have been October when Mr Timerman asked me where the shares were and told me to be very careful because I could have been killed, as had happened with one of the shareholders of the newspaper LA RAZON, who had been killed.

[Question] Who told you all this?

Lidia Papaleo De Graiver: I told Mr Timerman that the shares were not in the country. At that point Mr Timerman did not tell me that the shares did not belong to Mr David Graiver, that the distribution had changed, that any change was being contemplated, or that a meeting was going to be held.

[Question] Had you or any other member of the Graiver family been notified about these shareholders' meetings which Mr Timerman has mentioned?

Lidia Papaleo De Graiver: No, sir.

[Question] Which means that this meeting was fake, if it took place.

Lidia Papaleo De Graiver: It never took place in our opinion. How could we negotiate something which we felt never took place?

[Question] Do you believe that you should have been notified or that the compliance with the legal requirement to publish the notices had been sufficient?

Lidia Papaleo De Graiver: Both Mr Timerman and Mr Rottemberg communicated with our office regularly. It would have been essential to notify us of something like this.

[Question] In other words you believe that even if the notices had been published in the gazetteer as Mr Timerman says, since neither you or the Graiver family had been notified, there has been, to give it a name, an attempted fraud.

Lidia Papaleo De Graiver: Yes, sir.

[Question] Did Mr Timerman make any further efforts to contact you?

Lidia Papaleo De Graiver: No. After the newspaper published two or three articles unfavorable to us we tried to contact him. Mr Isidro Graiver tried to contact Mr Timerman and got nowhere.

[Question] When was this?

Lidia Papaleo De Graiver: This was at the time when newsprint was being sold... end of November 1976.

[Question] Were you in the country, Mr Timerman?

Timerman: Yes, sir.

[Question] Are you aware that Mr Isidro Graiver had been calling you?

Timerman: Yes, sir.

[Question] Did you refuse to take the call?

Timerman: Yes, sir.

[Question] Why, Mr Timerman?

Timerman: All my business contacts had always been exclusively with Mr David Graiver and with no one else.

Police Chief Ordered Arrest

PY201902 Buenos Aires GENTE in Spanish 2 Jul 81 p 8-0

[Interview with former Buenos Aires provincial police chief, Gen Ramon Juan Alberto Camps--time and place not given]

[Text] GENTE: What post did you hold in Buenos Aires when you participated in the Timerman affair?

Camps: I was the Buenos Aires provincial police chief. I held this post from the beginning of the national reorganization process until the end of 1977. I believe that I should tell you my exact words when I met with Jacobo Timerman. When he arrived at the headquarters of Buenos Aires provincial police at approximately 0300, I told him: "I am Col Ramon Juan Alberto Camps, chief of the Buenos Aires provincial police who is responsible for and who has ordered your arrest."

GENTE: This means that you ordered Timerman's arrest....

Camps: I ordered Timerman's arrest exclusively because of his involvement in the Graiver affair which I was investigating at that time and which was then common knowledge. It was so much common knowledge that even Timerman in his statement said that he had been awaiting his arrest in order to clarify his position in the Graiver affair.

GENTE: Why was it done by the Buenos Aires provincial police?

Camps: The Buenos Aires provincial police were investigating Timerman's affair on my orders and doing so for a very simple reason: Graiver was a citizen of this province. This means that his usual sphere of action was in La Plata. You should not forget the fact that his activities had started at the La Plata Commercial Bank.

GENTE: A lot of people do not know this. Might Timerman not have pledged that he did not wish to make his statement in Buenos Aires Province but in the capital where his residence and business concern was located?

Camps: I ordered Timerman's arrest, as chief of the Buenos Aires provincial police, and he was arrested by a four-man team accompanied by Mr Enrique Jara Paganí who was the deputy director of the newspaper at that time. The team had first gone to Jara Paganí's residence and asked him to accompany the team to Timerman's residence because at that point we did not know exactly where Timerman could be found since his lifestyle was somewhat erratic.

GENTE: Where was he?

Camps: We found him at his house.

GENTE: On what charges was he arrested?

Camps: The charge which motivated his arrest was simply his involvement in the Graiver affair. I want to make it clear that once I arrested Timerman I relayed the news of his arrest to the commander of the 1st Corps because in the field of "antisubversive actions" the Buenos Aires provincial police was under the jurisdiction of the commander of the 1st Corps.

GENTE: Who was the commander?

Camps: General Suarez Mason.

GENTE: General, from his exile Timerman is saying now that he has been tortured and has offered to demonstrate publicly how these tortures had been performed.

Camps: A few days ago I issued a press statement saying that I was sorry for Timerman. I was sorry for Timerman simply because a man who is doing things like offering to show how he had been tortured, etc., simply and exclusively for commercial purposes like Timerman is doing is pitiful. I believe that he is doing something utterly objectionable. Besides I want to make it clear that at this point Timerman is not attacking a specific person nor am I acting against Timerman. I believe that Timerman is seriously endangering the country. He is attacking the nation, the nation which gave him shelter for so many years as an Argentine citizen. He is even creating an irksome situation for those he claims to be defending, the Jewish community, for example.

GENTE: General, let us talk about the reason for our coming here to see you, that is, the tapes with Timerman's statements. How and when did he make these statements?

Camps: All of Timerman's statements were made at the headquarters of Buenos Aires provincial police. I was present at every interrogation. The fact that Timerman was not harmed at all has been attested to by the very people who accompanied him. But in addition to this we have the statement of his brother who told distinguished members of the Argentine press that Timerman had not been tortured.

GENTE: Who had accompanied Timerman?

Camps: There were, for example, Enrique Jara Pagani, the deputy director of LA OPINION who is obviously above reproach; Ramiro De Casabellas who had not been arrested but just asked to come to the police headquarters as a guest in order to participate and clarify certain aspects. I can tell you an anecdote which I am sure you can use for your article. The day Ramiro Casabellas had to make his statement was also the day he was supposed to get married. In order to let him do this we had him shaved, had his hair cut and gave him a massage, we even sent him over in a police car...I believe that we even telephoned the residence of his future wife to let them know that they should wait for him and not postpone the wedding.

GENTE: After hearing what Timerman has confessed to on these tapes one gets the impression that his release has been a political mistake, isn't that so?

Camps: I can speak about Timerman from the moment when I arrested him and until I turned him over to the provost officer [official preventor] who was handling the Graiver affair.

GENTE: How long was that?

Camps: Approximately 20 or 25 days. I tell you: I do not live for Timerman's affair. The Timerman affair is just an incident in my life. That is why I am not giving you specific dates. At this point I am rereading the Timerman affair. I was telling you, Timerman was tried by a council. Later Timerman said that this council found him not guilty. Then Timerman has had an institutional act applied to him. After this took place the Supreme Court ruled in favor of a plea of habeas corpus and ordered Timerman's release, which the president of the nation did at that time.

GENTE: General, in his book, this book which Timerman is trying to advertise in the United States, he says that you had pressured him in every possible way like pointing a gun at him and so forth. Is there any truth in this?

Camps: I will tell you this: My performance as chief of police during the anti-subversive struggle has been sufficiently clear-cut. It was also clean enough. Whenever I acted within the framework of the antisubversive struggle I did so openly. When I had to fight someone I did so applying the full powers of the law, the powers stemming from my position of authority and from my responsibility which I am prepared to face. But I have never stopped half-way. This means that I would never humiliate or toy with the man in my charge. I have a very high regard for the human being.

GENTE: General, after these talks, these interrogations, what do you conclude about Jacobo Timerman? What kind of person is he?

Camps: You are asking me to give you an opinion about Timerman. I believe that Timerman is a man of many facets, as he himself admits. He has a well-defined personality and character. I believe that his ideas, however, are unclear. Because

he mixes up fundamental issues. For example, he mistakes Zionism for Marxism; he mistakes Zionism for Eurocommunism, which are things that in my opinion should be clear to someone with a certain degree of education and knowledge. I believe that he has always been guided by purely commercial interests. His main concern has always been business. He even admits in his statements that he was operating to supply the needs of the Marxist and Zionist sectors. Besides, I believe that he is totally unprincipled. He lacks moral standards.

GENTE: What was his attitude while he was making his statements? Was he humble?

Camps: Sometime he was humble, sometime he was arrogant. There were even times when he was disdainful toward other people. For example, he was disdainful toward the entire Graiver family. I believe that he lacks humility and shame. But I also believe that there is something else which you must know about Timerman: In his book he speaks about a cell mate who has died. I am working on a book about Timerman in which one of the chapters will be written by this cell mate. Timerman had at one point been receiving amounts of up to \$250,000 from a company to help it get a contract which it wanted.

GENTE: To help it before whom?

Camps: In the eyes of Argentina....

GENTE: In the eyes of the Argentine Government? Using the newspaper?

Camps: Using the newspaper.

GENTE: General, if you were to meet Timerman face to face, what would you tell him? What would you like to point out to him? What would you ask him?

Camps: I would ask Timerman nothing. I would do the same thing I did when I faced him in 1977. I would tell him the same things, with better arguments and more authority. Because we have a very important authority, that is moral authority, the authority which stems from sincerity, from honesty. Thus, I would point out to Mr Jacobo Timerman--though he hardly deserves the title--the mistakes which he has been making, the very same mistakes he made before, which are further worsening his status, not only in Argentina, but in the entire world. Like I told you some time ago, I believe that the only message I would like to convey to him is that he should bear in mind that he has children and grandchildren and that one day they may be, and most certainly will be, ashamed of bearing his last name, of being the children or grandchildren of Jacobo Timerman.

CSO: 3010/1567

OBSERVERS SEE EMERGENCE OF INTRANSIGENT PERONISM

PY142214 Paris AFP in Spanish 2351 GMT 13 Jul 81

[Report by Luis Maria Castellanos]

[Text] Buenos Aires, 13 Jul (AFP)--The release of former Argentine President Maria Estela Martinez de Peron 5 years after her arrest coincides with the emergence of a leftist intransigent tendency within the Peronist movement which she has been leading since the death of Juan Domingo Peron in 1974.

This faction--called intransigent Peronism--made its first public appearance a few hours before the release of Mrs Peron, 5 years and 3 months after her arrest by the military government which overthrew her from power in March 1976.

The songs chanted in that demonstration by approximately 300 persons, and the presence at the event of persons linked to the leftist Peronist sector, which had been led by former President Hector Campora in his time, reminded the political observers of the public meetings which in 1972 preceded the electoral victory of the Justicialist Liberation Front (FREJULI) in March 1973.

In that election Juan Peron was proscribed from being a presidential candidate, and the FREJULI presidential ticket was made up by Hector Campora (with the support of the then powerful Peronist youth sector) and the popular conservative Vicente Solano Lima.

The brief presidency of Hector Campora, who headed the government for less than a month, had marked the height of political influence of leftist youth sectors of Peronism, especially the Peronist youth considered to be the legal political arm of the Montoneros extremist group.

Present at the inauguration of the so-called intransigent Peronism were Pedro and Mario Campora, son and nephew, respectively, of the late former president, and Salano Lima, his running mate in 1973.

The songs chanted by the group also reminded us of those sung in 1972. They repeatedly sang, for example, "Military Dictatorship Will End, Will End," while some policemen limited themselves to watching the development of the act.

Peronist movement sources indicated that the emergence of this intransigent Peronism, which many would rather call a neo-Camporist movement, aims at two objectives:

1. To become a leftist option of Peronism in view of the imminence of the internal struggle which has been unleashed since the liberation of Mrs Peron.
2. To hit the military government in moments in which it appears destabilized by the economic and social crisis.

Political observers agree that the emergence of the neo-Camporist movement strategically aims at consolidating a civilian movement of opposition to the military government with the explicit objective of demanding a quick electoral solution.

This is the reason why the intransigent Peronists are hastily trying to make a public appearance precisely when Peronism is getting ready to accept a dialogue with the military government, now that the problem of Mrs Peron's detention has been overcome, as reported by the Peronist sector.

These sources stated that the appearance of the neo-Camporist movement could be the first step toward reestablishing a situation of confrontation between civilians and the military which preceded Peronist electoral victory of March 1973.

The Peronist guerrillas, represented by the Montoneros group, played a preponderant role in those years.

But internal sectors of Peronism feel that the Montoneros have not been totally eradicated by the armed and security forces, despite their defeat in the field of armed struggle, and that they have fallen back tasks in factories and poor neighborhoods.

These sources stated that the emergence of the intransigent Peronist movement could be the first step toward an opposition escalation of greater scope and developed with more violent tactics.

CSO: 3010/1566

'LA PRENSA' COLUMNIST ON RECENT ARRESTS

PY162226 Buenos Aires LA PRENSA in Spanish 16 Jul 81 pp 1, 8

[Article by J. Iglesias Rouco: "Arrests for Speeches and Support"]

[Text] Everything seems to indicate that the top level military authorities are unwilling to hide their displeasure over the speech recently read at the armed forces officers club in the presence of President Viola, pointing out the "mistaken course" of the "process." According to information received yesterday, the club's chairman, Gen Toranzo Montero has been punished with 10 days of arrest which he will have to serve until 25 July in Palermo.

However, our sources reported that there could be some variations regarding the manner in which the arrest will be served. It is still unknown whether Colonel Garutti, who read the speech in the presence of President Viola, will be punished as well.

This punishment is the crowning point of a chain of events which have not only exposed to the eyes of the people the concern with which certain military sectors view the political and economic status quo, but also the differences among some or many of the commanding officers and those who preceded them, to the point that certain political groups have been speculating about the appearance, over the last few years, of "new" armed forces, or at least a new line of thinking. Others say that this is an exaggeration because it merely is a "new" stage whose starting point could be traced to 1976 or even in 1973 or 1974.

Be that as it may, its worth bearing in mind that General Toranzo Montero has been, while on active service and even after his retirement, a spokesman for the liberal sectors of the army.

As we reported some days ago, after the fellowship dinner Toranzo Montero had been summoned to the office of the chief of staff where he held a cordial meeting with General Vaquero. During this talk, General Toranzo reiterated, among other things, the solidarity of the institution which he heads with this newspaper. The officers club had held a reception in honor of the director of LA PRENSA and the writer of its editorials Mr. Hardoy, immediately after the person in charge of the public information secretariat "suggested" to the news agency TELAM that it should withdraw government advertisements from LA PRENSA.

It also seems interesting that the latest disciplinary arrest has followed that recently imposed on Admiral Massera who, according to some observers, stands for--in addition, of course, to his current political activities and the contacts which he has reportedly made with certain populist groups--an intermediate phase of line of thought within the framework of the military cycle of the last few decades. According to our sources, the arrest--which has been received with satisfaction by army commanding officers close to President Viola and General Galtieri who are displeased over the contents of the biweekly CAMBIO and the remarks of the admiral--has given rise to tensions at all within the army or between Massera and Admiral Lanbrunchini. Neither does it seem to have affected Massera himself, whose political career could benefit from this measure and from Mrs Peron's recent statement in Madrid to the effect that the co-perpetrator of the 1976 coup d'etat had been especially considerate with her after her ouster.

At the same time, a strange campaign has been developing against Massera over the past few days. For example, a loose sheet carrying the stamp of the publication FUENTE RESERVADA was circulating in Buenos Aires which is devoted entirely to giving a detailed account of the former navy commander in chief's alleged connections with the "Propaganda-2" Masonic lodge and its Argentine network, whose list included Massera's name, according to an announcement made by the Italian government. Mr Tortola, director of FUENTE RESERVADA has told us that the lodge sheet in question is a forgery.

It seems that this is a week for punishments, especially within the army. It became known yesterday that the retired General Ernesto Fatigatti, a notorious pro-Peronist, has also been punished with 10 days of arrest for a speech he made on 1 July before Peron's grave in Chacarita Cemetery.

The punishments which officers of liberal leanings are receiving are, however, more frequent than one would suppose, in view, perhaps, of the peculiar characteristics of the political process which the nation is experiencing. It has been reported that together with General Toranzo Montero, other retired officers like Colonel Daza have been punished, although nothing has been confirmed, because of letters of support sent to LA PRENSA after the "suggestion" and other measures implemented against this newspaper.

In the meantime, confrontations in the economic area are worsening every day. Mr Sigaut, who at first opposed the idea of a "bonus" for "industrial reactivation" which was being firmly advocated by Oxenford, has now drawn closer to the position of the minister of industries and stands against the position of Aguado and also partly against that of Garcia Martinez. According to certain sources, Sigaut has apparently asked his undersecretary, Berardi, to prepare an intermediate "bonus" draft. At the same time, we are being told that Lamonica is getting involved in the affair as well.

At the diplomatic level things are not too peaceful. The appointment of Ernesto De La Guardia as ambassador to Moscow has unleashed some turmoil among various military and civilian sectors of the "process" who cannot forget his performance between 1971 and 1977 as arbitration agent of the interministerial commission appointed to deal with the border problems with Chile. According to our sources, La Guardia had advocated British mediation for the Beagle Channel, toward which he felt very "optimistic" at that time.

DAILY CRITICIZES GOVERNMENT ANTIPRESS MEASURES

PY162351 Buenos Aires LA PRENSA in Spanish 12 Jul 81 p 6

[Editorial: "The Official Concern Over the Press"]

[Text] The government is evidencing a growing concern over the performance of news and opinion media regarding the country's status quo. This can be seen both in the warnings which are being issued along with its statements of support and respect for the freedom of press and in the punitive measures taken against certain publications. Thus, there are two points of reference to detect the meaning of this concern.

According to the newspaper LA NACION, on one hand, there are those who believe that there is a campaign to destabilize the process, a campaign whose excesses must be legally punished, especially when officials are slandered. If, as it seems, they do not believe in prejudging intentions and action will be directed exclusively at the crimes provided for by the penal code through the application of punishments included therein, there should be objections.

However, at the same time there are signs of certain attitudes which stray away from this pattern and entail risks.

Without going too far, signs of this double standard can be seen in the way in which the government has punished the newspaper which Admiral Massera inspires and in the way it has acted against a columnist of LA PRENSA. In the first place it has bypassed the legal process by using the exceptional powers granted to it by the state of siege, and in the second case it has resorted to the law by means of a provision of the penal code. This indicates an inconsistency whose effects are more dangerous than the original subjective prejudgment of intentions.

An analysis of publications dominated by the desire to find criminal connotations could distort the objectivity necessary to be able to assess the spirit of the criticisms or to distinguish between admissible and international mistakes. Criminal behavior is strictly provided for by the penal law. Therefore, it is not true that officials slandered by the press lack proper means to defend themselves: they have the law on their side, and before the law all citizens are equal.

No one wants the margin for errors--especially with regard to expression opinions--to become unbridled impunity. But it must be acknowledged that this margin permits in Argentina the development of an honest press compared to which the percentage of yellow press is insignificant.

Therefore, since the occasions are few when crimes are committed, the curbing of the latter type of press in order to maintain normalcy can be done in a swift and simple manner. The analyses, the comments and concerns should be dealt with from a broader viewpoint since it must be understood that what is normal for the press cannot be judged by the yardstick of the penal code.

CSO: 3010/1566

BRIEFS

SOCIAL TRUCE REQUESTED--The leaders of the Intersectorial Labor Commission (Comision Nacional de Trabajadores--CNT-20) hopes to meet with Labor Minister Brig Gen Julio Porcile today in order to "seek the reconciliation of opinions and choose the suitable mechanisms to minimize the socioeconomic crisis which the country is experiencing." This was stated by Jorge Triacca (member of the plastic workers union) at the end of a meeting held at the headquarters of the plastic workers union by the leadership of the Intersectorial Labor Commission. Triacca stated that "according to the results of the scheduled meeting with Porcile, we will adopt the attitude which we may deem convenient." At the end of the meeting most of the leaders of the CNT-20 voiced their optimism on the reaching an agreement with the state and the business sector to establish a "social truce." Triacca also made it clear that during the meeting they had not discussed the contact some of the leaders of the CNT-20 had maintained with leaders of the General Labor Confederation (CGT). Enrique Venturini (member of the Naval Electrician Union) who also participated in the meeting stated that "the rumors on the alleged splitting up of the CNT-20 were groundless." [Text] [PY170330 Buenos Aires CRONICA in Spanish 8 Jul 81 p 8]

NEW ECONOMIC PROGRAM DENIED--(NA)--Economy Minister Lorenzo Sigaut yesterday denied that a new economic program was under study, after putting the newly-appointed Banco Nacion top executives in charge. What is being studied, Sigaut said, are "corrections in accordance with current needs," also stressing the government's intention to reunite the commercial and financial rates for the U.S. dollar. "We are only strengthening the present lines of operation," Sigaut said yesterday, denying that the guidelines for the new economic programme would be handed to President Roberto Viola today. The new Banco Nacion officials sworn in yesterday by the minister are President Nicolas Ruiz Guinazu, Vice President Lorenzo Raggio and manager Jose Maria Gonzalez De La Fuente. All three replace the former bank authorities, who resigned last month over disagreements with the exchange policy pursued by Sigaut's team. [Text] [PY142124 Buenos Aires HERALD in English 14 Jul 81 p 11]

JOURNALIST ON PAROLE--Buenos Aires, 14 Jul (NA)--Interior Ministry sources stated today that journalist Arturo Carlos Piccoli has been placed on parole since 9 July. This explanation has been given because the judicial summons to the executive branch to release Piccoli or place him under parole has leaked out to the public. The sources indicated that the detainee was released on 7 July

according to Decree No 592. On 8 July, the Interior Ministry released a list of 23 persons who were detained and at the disposition of the national executive branch, they have been released on parole. Piccoli who was detained on 31 March 1975, was on that list. Piccoli was a journalist working for Radio Universidad Nacional Del Litoral then. The decision, known to the public, was made by Judge Eduardo A. Valdevinos through the secretary Julio G. Sagasta. [Text] [PA151340 Buenos Aires NOTICIAS ARGENTINAS in Spanish 0126 GMT 15 Jul 81]

NEW JUSTICIALIST MOVEMENT--Buenos Aires, 13 Jul (TELAM)--Lawyer Carlos Raul Cichello today presented a request to the federal electoral court in this capital for the registration of a new movement of opinion within the Justicialist Party which will be called the National Justicialist Dignity and Dignification Movement [Movimiento Dignidad Y Dignificacion Nacional Justicialista]. The lawyer asks that the official legal representative of the Justicialist Party be notified about this request so that he may take any measure he deems appropriate. [Text] [PY142325 Buenos Aires TELAM in Spanish 1320 GMT 13 Jul 81]

FORMER PRESIDENT ON CHILE'S EXPANSIONISM--Mendoza--Former Argentine President Roberto Marcelo Levingston has called for "a national mobilization" capable of overcoming "the economic, social, moral and responsibility crisis" which the country is experiencing. At the same time, Levingston opposed "a political convergence" or an "agreement for a solution through elections, which would be inappropriate at this point." Levingston lectured at a downtown hotel of this city at invitation of the Mendoza Institute of Public Law. Among other things, he discussed "Chilean geopolitical aggression" and pointed out that "severe threats are endangering our sovereignty in the southern Atlantic and the islands east of Cape Horn." The retired military officer and former president said that "should Chile succeed thanks to our weakness, current or future generations will have to deal with new demands which that neighbor country would pose within the framework of its geopolitical expansion." He said: "If in order to keep mediation at a realistic level we must readjust our approach, this is something which cannot be subject to any readjustments." [Text] [PY142230 Buenos Aires CLARIN in Spanish 12 Jul 81 p 5]

MISIONES REJECTS CORPUS SITE--Posadas, 13 Jul (NA)--Inhabitants of the province of Misiones, grouped in a movement called "Corpus en Corpus," has sent a telegram to President Roberto Viola asking the removal from his position of the minister of foreign relations, Oscar Camilion, of the under secretary of energy, Bernardo Bronstein and of the Argentine delegate to the Rio Parana Mixed Commission (COMIP), Rear Admiral (Ret) Horacio Colombo. This group favors the location of the Corpus dam at the alternate cite of Pindoí and is opposed to its construction in Itacua or Garupa, as was agreed by the Argentine and Paraguayan foreign ministers based on firstly the recommendations of a consultant and later on those of the COMIP. The representatives of towns such as Santa Ana, San Ignacio, Corpus, Santo Pipo, Gobernador Roca and Jardin America--all located on the banks of the Alto Parana and which will be affected by the future flooding--maintained that the officials in question "have disappointed Misiones Province, in agreeing that the work be constructed in a low and flat area, which will cause harm through inundating thousands of hectares of good land." It also emphasized that it will isolate villages, cut roads, and create unhealthy conditions "by the propagation of waterborn diseases, thus infringing on national sovereignty." [Excerpt] [PY170400 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1935 GMT 13 Jul 81]

PROTEST DAY--Minister of Labour Julio Porcile yesterday hinted at the possibility of the government invoking law 21,400 regulating state security in the event of the General Labour Confederation (CGT) carrying out its proposed "protest day" which would be equivalent to a general strike. The minister was seen in a television interview last night and stressed the efforts being made by his ministry to find solutions to current labour problems. Although he did not mention the CGT by name he said he did not think that some of the means proposed to achieve results, such as protest days and direct action, were the best. He said the organisers ran the risk of transgressing the state security law which punishes those involved by prison terms of up to ten years. Porcile said that the problems affecting businessmen and industrialists were being studied by the government. The problems of the labour sector were also under study, he said. With regard to this he said that some labour sectors were willing to find adequate solutions to their problems while others, such as the CGT, were proposing "protest days" which did not lead to any positive solutions. [Text] [PY192136 Buenos Aires HERALD in English 18 Jul 81 p 9]

CSO: 3020/127

LABOR LEADER DISCUSSES STRUGGLE AGAINST PINOCHET

Havana TRABAJADORES in Spanish 11 May 81 p 2

[Report on interview with Mireya Baltra, Chilean labor leader, during the May Day celebration in Cuba, by Jose Alejandro Rodriguez: "Fascism Has Been Unable To Bring the Labor Union Movement in Chile to Its Knees"]

[Text] The well-known Chilean labor leader, Mireya Baltra, stated to TRABAJADORES that May Day in Chile was combative, that it showed an extraordinary germ of resistance in action and a united desire that is growing from the rank-and-file of the Chilean people in their struggle against fascism.

Mireya, who attended the May Day festivities in Cuba, representing the Single Workers Federation of Chile abroad, emphasized the defiant celebration of the proletarian holiday in her country, convoked by the Labor Union Coordinating Committee, as a demonstration that fascism has been incapable of destroying the workers and of bringing them to their knees.

She described this fact as being within "a new political situation" in Chile, in which initiative has passed from fascism to the working class and the people in a process of increasing struggle. Nevertheless, she forestalled any triumphant interpretation of this fact when she remarked that the mobilizing force of the masses and their degree of unity are not yet sufficient.

But she did describe the increasing antifascist struggle: increase in worker struggles, especially strikes held in the textile sector and in Goodyear and now being carried out by the 10,000 El Teniente miners; student action, action by women's sectors, takeover of land by poor, homeless settlers, attacks on electricity towers and bourgeois amusement centers, and many other movements based on immediate grievances of the sectors of the people.

Concerning the strike by 10,000 El Teniente miners, she stated that it goes beyond an economic nature and is a serious questioning of the Junta's policy that may carry within it the seeds of subsequent conflicts in the mining sector. Mireya views it as a test that is causing the workers to regain confidence in their own strength.

Because fascism has been unable to destroy the labor union movement, it is now using other tactics. Now it is trying to pulverize it, the Chilean labor leader stated. In this connection, she mentioned the Junta's repudiated Labor Plan, frankly fascist

in nature, that carries implicit in its essence a strengthening of monopolistic state capitalism and dependency on imperialism.

Superexploitation, labor intensive workdays of up to 12 hours in order to subsist, half a million unemployed, that is how capitalist accumulation is achieved in Chile under the most brutal methods. That is precisely what is giving rise to an intensification of the struggle by the workers and by the people, by their organizations, Baltra analyzed.

In that connection, she stated that there are, in the labor union movement, new unity conditions, advanced by the rank-and-file itself, that found expression in support of the convocation by the Labor Union Coordinating Committee for celebration of May Day. She stated that a struggle also is being waged against certain reformist conceptions within labor unionism.

On the broader scale of the antifascist struggle, Mireya pointed out as a new factor of cohesion the proposals of Luis Corvalan, secretary general of the Communist Party of Chile, to make the people's legitimate right to wage every form of unified struggle, including rebellion, prevail for the defeat of fascism.

She said that an intelligent, realistic appreciation is growing among the forces of Popular Unity and other sectors that this is the way. "It is a struggle to the death. There is no room for third positions, vacillation and conciliation with fascism," she stated categorically.

She said that international solidarity is taking on a more active role. Now the cause concerns not only prisoners and disappeared persons and a denunciation of murders. Now foreign backing must be less suffering and more combative, supporting our people's actions in this long struggle that lies before us.

Reciprocally, in Chile, under the fascist terror, acts of support for the Nicaraguan revolution and for the heroic struggle of the people of El Salvador have been carried out, because "the practice of solidarity with other peoples enriches our own struggle."

Thus, she added, that mutual solidarity between the Cuban revolution and the Chilean people has been reaffirmed in this historic May Day in Cuba and we shall make the message that went beyond the Fighter's March reach the interior of Chile.

"You must also know that, in the face of any imperialist aggression against your country, no honest worker in Latin America will fail to act. On our continent, there are no struggles divorced from each other. The struggle is against the same enemy: North American imperialism," she concluded.

10,042

CSO: 3010/1497

NEW ANTISUBVERSIVE LAW BEING STUDIED

PY141448 Paris AFP in Spanish 0001 GMT 14 Jul 81

[Text] Santiago, 13 Jul (AFP)--It was reported here today that the government of Chilean President Augusto Pinochet, harassed by an intensified wave of assaults and terrifying political assassinations, is giving priority to the preparation of a law which will be the backbone of the antisubversive struggle and will also punish police terrorism.

According to spokesmen of a commission of jurists who submitted the law to the military junta, which acts as the legislative power and will give final approval, the new law of about 30 articles comprises regulations currently in force and recent foreign experience in this matter.

It was indicated that although subversives have a political objective, they will now be considered common criminals when their actions or neglect create commotion or grave fear among the population or within a sector of it or when atrocities or cruel actions are carried out with a revolutionary or subversive objective.

The draft law mentions the use of explosives or materials that create a serious threat to life and the health of people, kidnappings, airplane hijackings, and personal attacks, particularly against the chief of state, as matters for the judicial process.

The local press has also indicated that other less serious actions such as incitement, espousing violence and the creation of fear among the population by reporting on the preparation of terrorist acts--whether true or not--will also be considered a crime.

However, spokesmen of the jurists indicated that the sentences are not too stiff to avoid terrorists taking suicidal actions. If terrorists realize that they would get a stiff sentence or death, they would prefer to die committing the crime and further prolong their action.

However, it was reported that persons who commit crimes using the rights provided under--law to fight crimes--such as homicide, intimidation and rape--may receive sentences up to the death penalty.

The Commission of Jurists, who are proposing the new law, began its study 6 months ago amidst a wave of leftist bank assaults and attacks that caused 11 deaths and concluded it amidst similar actions and a clandestine counter-action of apparent rightist, paramilitary origin which excited public opinion during the last few weeks.

On 22 June, the popular resistance militia attacked two police precincts and a bank and 2 weeks later machinegunned a government security agent to avenge the death of a subversive killed in a triple attack.

Last week, at a time when the government reported the discovery of a guerrilla camp in the southern part of the country, a retaliation command riddled with bullets a former socialist leader and tortured to death a militant of the proscribed movement of revolutionary left, MIR, adding to four the number of opposition leaders who tragically died in 1981.

Therefore, several dissidents, fearful of the same fate, have asked for judicial protection and three police officers who were working for state security have received death threats at their homes. Government spokesmen have warned that Marxist terrorism is disturbing public tranquillity.

CSO: 3010/1565

LAWYERS REVEAL THREATS AGAINST THEM

PY151335 Buenos Aires LATIN in Spanish 0120 GMT 15 Jul 81

[Text] Santiago, 14 Jul (LATIN)--A group of lawyers linked to the defense of human rights today denounced a d mite attack on the residence of a colleague which caused damage but no victims.

In a declaration signed by eight lawyers who are defending ten union leaders under arrest, the lawyers revealed that two of them have received threats.

The bomb exploded early this morning in front of the house of Pedro Barria, one of the lawyers who is defending the ten union leaders undergoing legal proceedings on charges by the Interior Ministry of illegal representation of workers.

The arrested, eight of whom will reportedly be released in the next few days after a court order pending confirmation, are members of the National Union Coordinating Board which has been labeled Marxist and illegal by the government.

The declaration also expressed concern over President Augusto Pinochet's statement during a recent speech labeling the defense of human rights as criminal complicity with terrorism. The declaration adds that this accusation deeply disturbs their consciences as men and women of law.

The document expressed concern over the country's political situation and called on Chileans to demand from the government the reestablishment of the state of law and the dissolution of secret repressive organizations.

President Pinochet, who started a new 8-year term last March with the approval of a new constitution, today said that the coordinating board is a cover for the Communist Party.

During a breakfast with journalists, the chief of state showed a document which he said proves the links of the coordinating board with the proscribed Chilean Trade Federation (CUTCH)--which was run by the Communist Party--and the political nature of the two organizations.

Regarding the personnel of security organizations, Pinochet said that their files are being reviewed to avoid surprises. He also confirmed the director of the National Intelligence Center (CNI) in his position.

A CNI official was murdered last week and then two leftist militants were also murdered by an unknown commando in this capital. The local press is speculating about the possibility of internal struggle between subversive groups or reprisal actions.

CSO: 3010/1565

UNION LEADERS BAIL RELEASE FINALIZED

PY162143 Buenos Air - ATIN in Spanish 1817 GMT 16 Jul 81

[Text] Santiago, 16 Jul (LATIN-REUTER)--Eight union leaders were released today after being held for 1 week and prosecuted by government orders under charges of falsely representing the workers.

The release on an \$80-bail was granted by the court of appeals on ratifying a decision made in this regard last Friday by judge Sergio Valenzuela, who is prosecuting 10 leaders of the National Union Coordinating Board.

Nevertheless, the judge rejected the petition for the release of Manuel Bustos and Alamiro Guzman, president and secretary general of the organization, respectively, due to their having been sentenced to 541 days imprisonment with a suspended sentence for a similar trial.

The union leaders who had been released are: Manuel Jimenez, Hernan Jofre, Sergio Freyhoffer, Humberto Vergara, Carlos Opazo, Luis Duarez, Arturo Martinez and Jose Versay.

The 10 leaders are facing trial by the Interior Ministry for alleged violation of current legal dispositions in the sense of falsely claiming the representation of unions which lack legal status.

The National Union Coordinating Board recently submitted for the consideration of President Augusto Pinochet a national petition for the readjustment of the workers' salaries from \$100 to \$250 monthly.

The government rejected the document and charged the union leaders with being communists, which promoted the solidarity of some 500 unions with the prosecuted leaders.

Interior Minister Sergio Fernandez stated yesterday that the National Union Coordinating Board is only a facade of international Marxism. He also stated that the organization had been repudiated by most unions in the country, which had denounced the political nature of the coordinating board and its economic and ideological ties with international organizations financed by the Soviet Union.

CSO: 3010/1565

BRIEFS

DOCTORS RELEASED--Santiago, 14 Jul (AFP)--It has been reported here that the Chilean courts have ordered the release of three doctors who were arrested in May and accused by the Valparaiso military prosecutor of trying to organize political parties, which is expressly prohibited. Doctors Sergio Arroyo, Pedro Castillo and Manuel Almeyda, the last named is a brother of former Socialist Foreign Minister Clodomiro Almeyda, were released after judge Carlos Meneses implemented a decision of the Santiago appeals court, the semi-official news agency ORBE reported last night. [Excerpt] [PY151850 Paris AFP in Spanish 0529 GMT 15 Jul 81]

MINERAL PRICE SUPPORT--President Augusto Pinochet today received the credentials of the new Peruvian ambassador, Jose Bustamante. At the end of the ceremony, President Pinochet stated his support for the Peruvian President's proposal to form a common front to defend mineral prices. [Graciela Contreras] [Excerpt] [PY162003 Santiago Chile Domestic Service in Spanish 1730 GMT 16 Jul 81]

MEASURES AGAINST SUBVERSIVES--Santiago, 16 Jul (AFP)--The interior minister reported here today that Gen Augusto Pinochet's government had taken special security measures to prevent subversive agents from entering Chile. The measures are designed to stop the clandestine return to the country of leftist militants who have gone into exile in recent years since the ouster of the late socialist president Salvador Allende. It has also been reported that government officials seek to prevent foreign revolutionaries from clandestinely entering the country to foment attacks against the government. Official communiques released here a week ago reported the presence of foreigners in leftist guerrilla camps discovered by the military in the Neltume mountainous region, 850 km south of this capital and east of the city of Valdivia. According to Interior Minister Sergio Fernandez, the terrorists have used false document to hide their identity on entering the country. He made it clear, however, that the above measures will not include tightening border controls. Fernandez regarded the Neltume guerrillas, whose two camps were dismantled by the army, as highly specialized people who had been trained abroad. The minister declined to confirm, however, whether there are detainees in the area. [Text] [PY171802 Paris AFP in Spanish 0519 GMT 17 Jul 81]

CSO: 3010/1565

PCC DENIES SPONSORING VIOLENCE, GUERRILLA ACTIONS

PA181949 Paris AFP in Spanish 1518 GMT 15 Jul 81

[Text] Bogota, 15 Jul (AFP)--The Communist Party of Colombia (PCC) today denied flatly that it is sponsoring violence and the guerrilla activities of the Revolutionary Armed Forces of Colombia (FARC).

Carlos Romero Jimenez, a member of the party's Central Committee, responded to a charge by 2d Army Commander Gen Bernardo Lena, who said yesterday that the communists are the real culprits of the guerrilla violence in Colombia.

Romero Jimenez affirmed today that FARC, a guerrilla group with some 3,000 men in 12 rural and urban fronts, "are not the PCC's armed branch, as General Lena affirms."

According to Romero Jimenez, "both before the country and in congress we have defined our stand against violence." He added that the PCC has asked the government to grant a general rather than a conditioned amnesty as congress approved, so there can be a "true opening toward democracy and through it peace can be achieved for the country."

The amnesty--the deadline for those up in arms to surrender is 22 July--is conditional and applicable only to guerrillas active in the cities and rural areas.

According to official data, 20 guerrillas from various groups have benefitted from the amnesty, but according to other reports, there have been only 5 guerrillas.

Romero Jimenez described General Lena's charge that the real culprits of guerrilla violence are not being tried and his request that the members of the PCC Central Committee be placed in the dock as "surprising."

"General Lena's assertions are groundless and are only a result of the campaign that the high-ranking military commands are currently waging against the PCC," Romero indicated.

The PCC leader said in conclusion that the country has engaged in an arms race--the government does not admit this--not to defend its borders but rather to increase its repressive capacity.

CSO: 3010/1558

ARMY INTENSELY PURSUING GUERRILLAS IN NORTH

PA181611 Paris AFP in Spanish 1458 GMT 17 Jul 81

[Text] Bogota, 17 Jul (AFP)--The Colombian army's most intense pursuit of guerrilla groups continued today in the jungles of Caqueta intendency, in southern Colombia, where 21 soldiers and 20 rebels died this week, it has been learned here.

Since Wednesday Army Commander Gen Fernando Landazabal Reyes has been directing this "hunt" for the members of the communist Revolutionary Armed Forces of Colombia (FARC) and 19 April Movement (M-19).

The struggle between the army and guerrillas in the middle of the jungle has created a true war situation in Caqueta, and a dry law and curfew have been imposed in 12 municipalities. All roads and paths are being watched by the army in an effort to eliminate any chance for the guerrillas to escape. According to the army's spokesmen, due to the presence of four army battalions, the guerrillas have declared themselves on the run.

The Caqueta authorities indicated today that only one of the subversives has been identified as a mason from the town of Morelia. The others are farmers and laborers.

The army indicated today that the subversives killed in combat are youths 15 to 20 years old, who have enrolled in the guerrillas because of the deception and promises of the leaders of those movements.

Meanwhile, Defense Minister Gen Luis Carlos Camacho Leyva himself attacked the Colombian Communist Party once again and joined Gen Bernardo Lema, the army's second in command, in blaming them for the current violence.

According to Camacho Leyva, although the communists deny their connection with the subversives, the truth is that their lawyers hasten to defend any of the subversives who might be captured by the authorities.

Meanwhile, the M-19 failed last night in its attack on Puerto Solano in Caqueta. The subversives attacked the town, but were repelled by the civilian population, the police and several army units.

The subversive activities have extended to other areas and the army reported today that units of the army's 4th brigade have also fought a guerrilla group of the Maoist peoples liberation army, in the north.

The clash occurred in Cordoba Province, but neither side sustained any casualties.

According to a report received this morning from Florencia, in Caqueta, the FARC guerrillas have decided not to confront the army and have separated to pose as farmers and go unnoticed.

Calm has reportedly been restored, but at least 60 percent of Caqueta's shops and industry has remained closed.

CSO: 3010/1558

BRIEFS

GUERRILLAS IN CAQUETA--"There have been fierce clashes between guerrillas and the army in Caqueta. A total of 12 soldiers and 11 guerrillas have been killed." The army is pursuing the guerrillas of the 19 April movement (M-19) in the jungle. The army officially confirmed the clash with the M-19 guerrillas in which the soldiers and guerrillas were killed. The M-19 guerrillas set up a road block between Regina and Florencia where they burned two vehicles of the Public Works Ministry. Troops of the Operational Command No 12 supported by airborne troops forced the rebels to withdraw. The situation is somewhat confusing because the fighting is still going on in different zones. In view of the state of violence unleashed by the subversive groups against the army; the intendant of Caqueta decreed a curfew and dry law in 12 municipalities, suspended the traffic of vehicles and the meeting of more than five persons. The decrees are effective in Morelia, Belen, San Jose, Albania, Coello, Puerto (Torres), Salamina, Puerto Londono, Valparaiso, (Urallaco), (El Dorado) and (La Faraguita). The intendant also decreed a 24-hour dry law in San Vicente Del Caguan, Puerto Rico, Coello, Paujil and La Montanita and prohibited political meetings. [Summary [PA160328 Bogota Cadena Radial Super in Spanish 2330 GMT 15 Jul 81]

GUERRILLAS NEAR ECUADOREAN BORDER--Pasto, Colombia, 17 Jul (EFE)--A large guerrilla contingent of the 19 April Movement (M-19) has resurfaced in the lower Putumayo area on the border with Ecuador, while the army continues to fight with subversives in Caqueta intendency. A spokesman for the military operational command indicated that the group of guerrillas, disguised in regular army regulation uniforms, was seen in Las Mesas, 50 km from Mocoa, a town that 2 months ago was an M-19 target and was the site of a thwarted invasion of subversives from Cuba. According to the same source, the guerrillas stopped all vehicles that were en route to Pasto and appropriated the daily supplies of foodstuffs that were being taken to Narino, in the southern part of the country. The guerrillas were carrying modern weapons, hand grenades and even bazookas, similar to those that regular troops confiscated from other members of the group 2 months ago. The military headquarters in Pasto has sent regular army contingents to try to capture the guerrillas. Meanwhile, the regular troops continue to pursue members of the M-19 and of the Revolutionary Armed Forces of Colombia (FARC) in Caqueta intendency. The toll of the fighting so far is over 40 soldiers and guerrillas killed. [Text] [PA172259 Madrid EFE in Spanish 2122 GMT 17 Jul 81]

EXPORTS TO CARIBBEAN--Bogota--All government agencies will participate in the program to promote Caribbean trade which was announced by the government. The armed forces, the National Apprenticeship Service, SENA, the Colombian Agricultural and Animal Sciences Institute, ICA, and even the National Red Cross will participate in the program. Through their command, Gen Gonzalo Forero Delgadillo, the armed forces expressed their desire to cooperate, indicating that their industries, including the state military industry enterprise, are ready to promote exports. The SENA said it is interested in exporting technology and services to train midlevel personnel in other countries and in Colombia. The ICA said its technicians have developed more than 460 types of seeds for plants of rapid growth and high yield. The ICA manager said that the export of improved seeds can become an important foreign trade product. Red Cross President Alberto Bejarano Laverde said that Colombian medicine ranks among the most advanced in the world, particularly in heart surgery, ophthalmology and neurology. He said that these services can be an important source of revenue for the country in the near future. In view of the prestige of Colombian medical services, the people of the Caribbean frequently come to Colombia to obtain medical treatment. [Text] [PA171509 Bogota Emisoras Caracol Network in Spanish 1215 GMT 17 Jul 81]

GUERRILLAS IN FLORENCIA--Floresncia--The army has announced that the areas considered to be under guerrilla influence are under military control and that peace has been practically restored. The situation throughout Caqueta Intendancy is completely normal and the operations implemented by the commander of the 9th Brigade in Neiva continue to be carried out in a positive and forceful manner. The army command has reported that it intensified its counteroffensive especially in Caqueta, Putumayo, Cauca, Tolima and Huila in order to guarantee the life, honor and property of the community. The army command reported that the security measures implemented by intendant Ernesto Gomez Charry will be maintained until the command is certain that peace has been restored. Meanwhile, hundreds of soldiers supported by helicopter gunships continued combing the areas where the guerrillas fled. [Text] [PA180159 Bogota Cadena Radial Super in Spanish 2330 GMT 17 Jul 81]

ANTIQUERRILLA OPERATIONS--Bogota, 16 Jul (LATIN-REUTER)--The army announced today that it has expanded its antiguerrilla operations in a vast area of south and southwestern Colombia at the end of a week that witnessed a resurgence of guerrilla activity in the country. An army command spokesman said in Bogota that "the antiinsubversive activities underway in the Caqueta region, some 650 km southwest of Bogota, will be expanded to include regions of Cauca, Huila, Tolima, Narino and Putumayo, the last two on the border with Ecuador." From Sunday through Wednesday, 31 soldiers and 19 guerrillas were killed after the so-called Revolutionary Armed Forces of Colombia (FARC) and the leftist 19 April Movement (M-19) launched an offensive. The spokesman said that in the next few hours specially equipped soldiers specialized in counterinsurgency warfare will be sent to these regions. The military command said that the situation in Caqueta was totally under control. During the week three military patrols were ambushed, towns were attacked, roads were blocked, dynamite attacks were made and clashes took place in the Caqueta region. The intelligence services have detected a joint FARC-M-19 operation "aimed at attracting the country's attention and attacking the servants of the law, causing useless bloodshed," the spokesman said. In their proclamation the guerrillas claimed that the action is aimed against an amnesty law that is about to expire, which benefits guerrillas who lay down their arms and who are not accused of homicide nor brutality. [Excerpts] [PA190203 Buenos Aires LATIN in Spanish 1537 GMT 18 Jul 81]

ARNALDO MILIAN PRESIDES OVER FARMERS MEETING

FL152000 Havana Domestic Service in Spanish 1700 GMT 15 Jul 81

[Text] The development plan for the mountainous region of the eastern provinces, based on the consolidation of the agricultural production cooperatives, has been discussed and approved in Bayamo during a meeting presided over by Arnaldo Milian, member of the PCC Politburo. The meeting was attended by Jose Ramirez Cruz, alternate Politburo member and president of the National Association of Small Farmers (ANAP), and the need was stressed to strengthen the cooperative movement in the mountain regions. It was also underscored that it is necessary to strengthen the state enterprises through their unification throughout the area.

Jose Ramirez explained the detailed planning and control of every step that is to be taken, above all those related to the transfer of land to cooperatives and their use of labor as warranted by material conditions. He explained that the aim of these measures is to improve social conditions among the inhabitants of the mountainous region, apart from contributing in the long term to the economic development of the region.

Ramirez congratulated Granma Province for a plan submitted to the meeting for the grouping together of the farmers in the mountainous region into 86 cooperatives with an area of 6,365 caballerias, while the state intends to merge the three enterprises it now owns into a single.

CSO: 3010/1560

HAVANA COMMENTARIES DESCRIBE HAIG, HELMS

Haig's Rise Noted

Havana VERDE OLIVO in Spanish 31 May 81 pp 10-11

[Article by Elpidio Valdivia: "Ball in the Diplomatic China Shop"]

[Text] Having displayed a brilliant military service record in two wars lost by the United States and having racked up experiences acquired during the days when he used to plan Pentagon aid for Fulgencio Batista, former four-star General Alexander Haig is now discharging the duties of U.S. secretary of state.

Referring to his first military engagements, the magazine NEWSWEEK reported that he was in Korea, where he saw action in five campaigns and took part in the Inchon landings.

Another remembrance of his conduct in that war appeared last January in the French daily LE MATIN, in which it was noted that during the Korean War Haig "went back to a town that had been destroyed for the sole purpose of blowing up a bathtub that had remained intact." Farther on it was explained: "It was not as though some local official was about to take a bath in it."

When that mission was completed in 1953, Haig started on a swift career at the Pentagon where his responsibilities included the planning of the then generous U.S. policy toward Cuba, when our country was governed by a regime installed through a coup which had assumed power a year before.

In 1966 he was chief of battalion and brigade with the First Infantry Division in Vietnam, at which time he was promoted to colonel and awarded the Distinguished Service Cross.

Later, from Washington, he went on conspicuously working on Vietnamese problems.

NEWSWEEK relates that, from his post as military adviser to then chief of the National Security Council Henry Kissinger, Haig, moreover, became the eyes and ears of the White House in Vietnam, making 16 exploratory visits to the war zone to keep President Richard Nixon informed.

Some time after that, the same American weekly reports, "Haig strongly pressured Nixon to assume the toughest position possible with regard to the North Vietnamese, urging him to bomb Hanoi and mine the port of Haiphong, two controversial recommendations which Nixon finally accepted."

Alexander Meigs Haig was born on 2 December 1924 and from a very early age showed a great affinity for a military career.

However, as a Western European publication has reported, his grades in school were not high enough to open the doors of the Military Academy of West Point to him.

NEWSWEEK recently revealed the means Haig resorted to to gain admission to the academy, as well as the success he achieved as a student there.

"From the start," the weekly notes, "his goal was to become an Army officer and, when West Point rejected him, he persuaded his uncle, who had contacts in Congress, to get him admitted."

He graduated from the military academy in 1947 with grades that placed him 214th out of a class of 310 students.

Attempting to explain the young Alexander's academic difficulties, his sister told reporters that "he was one of those boys who find it hard to study...."

Under his photo in the West Point yearbook, one can read that "Haig's strong convictions and limitless ambition, combined with his profound understanding of his brothers in arms, should provide the triumphal chariot which will lead him to the top."

Once he was in the Army, he discharged his first duty as one of the subalterns on Gen Douglas MacArthur's General Staff in then occupied Japan.

He later participated in the Korean and Vietnamese Wars until 1969 when Nixon transferred him to the White House as adviser.

In reviewing the activities of the recently arrived colonel, a NEWSWEEK article that appeared last 5 January states that, for the purpose of determining who was leaking information on the administration's military plans, Haig personally requested the FBI to tap the phones of 17 reporters and Republican government officials.

The weekly claims that, when the Senate Foreign Relations Committee later asked him about these activities, he simply replied that he was following orders.

In September 1972 Nixon rewarded him, promoting him from major general, with two stars, to a four-star general, in so doing bypassing 240 senior officers, and appointed him assistant chief of staff, the number-two spot in the Army hierarchy.

Eight months later, the aftereffects of the Watergate scandal again brought him to the executive mansion. Among others, top advisers like H.R. Haldeman and John Ehrlichman had resigned and the president offered him the post of White House chief of staff.

From the time he assumed his new responsibility, Haig shared side by side with Richard Nixon the last 16 months of his tottering mandate and became the most ardent of his defenders.

In an article entitled "A Master of the Power Play," the weekly NEWSWEEK was lavish in publishing the intense activities he engaged in at that time.

"Haig's role during Nixon's last days," the article points out, "was constantly a controversial issue. Leon Jaworski, the special prosecutor in the Watergate affair, once said that Haig "tried to appease me while helping Nixon to thwart me in the search for the truth,"

According to NEWSWEEK's interpretation, it is certainly obvious that Haig committed unmentionable acts to keep the Watergate investigation from directly implicating the president.

The article adds that the White House tapes show that on 4 June 1973 Haig urged Nixon to evade former adviser John Dean's allegations by telling the investigators that "he didn't remember."

Four months later, the article goes on, after special prosecutor Archibald Cox had received a court order for the White House to turn the tapes over to him, Haig was the only one who tried to persuade him to accept the transcripts instead of the tapes.

When Cox protested — the article underlines the fact — Haig, presumably acting on Nixon's orders, phoned Attorney General Elliot Richardson and ordered him to discharge the special prosecutor. Richardson refused to do so, choosing to resign instead. So Haig called Assistant Attorney General William Ruckelshaus to ask him if he was willing to discharge Cox. Ruckelshaus was not. "All right," Haig cruelly replied, "you know what it means when the commander-in-chief gives an order and a member of the team cannot comply with it."

Recalling Nixon's last days, the weekly assures us that in those agonizing days for the administration "he acted as though he were president."

The article concluded, expressing the thought that Haig had perhaps been deeply implicated in the political scandal, also when he asked Gerald Ford to pardon Nixon. The daily LE MATIN notes that, when, however, Haig was asked about the problem of the 19 minutes that had been erased from the Watergate tapes, he ingenuously replied that in his opinion this was the work of "sinister forces."

This same French daily has taken it upon itself to follow his steps from the time he left Washington with the fall of Nixon up to January of this year when, after resigning his post as chief of NATO because of disagreements with Jimmy Carter, his name began to be mentioned as a candidate to occupy the post of secretary of state.

"Haig lived in a kind of exile after Watergate," it claims, until 1979 when rumors began to circulate to the effect that he had stepped up his meetings with very conservative private circles, sounding them out with the prospect of setting a course for the presidency.

"Most of the experts," the newspaper says, "said they were horrified. It seems that some things came to be unacceptable in the 1970's in the United States and Alexander Haig's ambition was one of these."

The commentary adds that the speeches he made while trying to succeed as a possible candidate for the presidency of the United States are padded with old arguments stolen from Winston Churchill.

Discussing these statements of Haig's, the author of the article, Don Katz, writes:

"I still ask myself how many of those reporters who listened to his speech at the Waldorf Astoria in 1979 remembered its antecedents. I had the impression I was listening to a ghost. That specter spoke to us of the 'supposed Third World' and of the need for us to redefine the differences between 'authoritarian' (our friends) and 'totalitarian' (our enemies) regimes. He spoke to us of his inclination to favor the 'military, political and psychological effects of the neutron bomb.'"

Explaining the withdrawal from his announced presidential candidacy, the Parisian daily said that surgery and a crucial lack of popularity had kept Haig out of the race.

Then, commenting on the general reticence with which the announcement of his promotion to head of the State Department was received, the daily noted that "his only problem was the fact that he had served in the American chief executive's office during one of the least glorious eras in its history."

Immediately after that, the French publication had the following to say:

"Maybe Haig will be an enlightened secretary of state in the tradition of General Marshall, but it seems impossible that he can ever wipe out the sinister image of a bureaucrat who rides his murky ambitions and who has left his mark in various parts of the world where everyone can still see it: in Cambodia, in Vietnam, in Chile and even in the White House...."

As the head man of American diplomacy, Haig has had several squabbles with other Cabinet members, related, according to some, to that "limitless ambition" referred to under his photo in the West Point Military Academy yearbook.

Writing about this point, on 13 April the Spanish review CAMBIO-16 said that Haig seems to have entered the domain of American diplomacy like a bull in a china shop.

"In a little over 2 months," the Madrid publication adds, "he has made such memorable blunders that he has earned the enmity of some of his colleagues in the Cabinet and of a good part of the most important newspapers in the country."

The first incident arose on the occasion of the appointment of Vice President George Bush to the post of director of the White House's "crisis general staff," an act which weakened Haig's repeated judgment as to the secretary of state's exclusive responsibility in the conduct of the nation's foreign policy.

Last 25 March a cable from the French news agency AFP [French Press Agency] went so far as to say that "his aides fear that American Secretary of State Alexander

Haig, who left Washington last night for a private visit in New York in a state of 'great anger and bad humor,' will resign."

Elsewhere in the same dispatch, it was noted that, according to a State Department source, "Haig started to pound the table with his fists" at a department meeting.

Another dispute over him arose as a result of the attack on President Ronald Reagan, when he rushed to assume responsibility for the government without respecting the legal dispositions, which provide for another procedure.

"The scene," commented the AP [Associated Press] on 1 April, "resembled a drama of top level political intrigue, with the president wounded in an attempt on his life and hospitalized, the vice president away from Washington and an ambitious government minister, the secretary of state, who announces that he has assumed control over the White House."

Passing judgment on the same situation last 30 March, the news agency EFE asserted that "the obsession with power displayed by Secretary of State Alexander Haig on repeated occasions, has left a bad taste in people's mouths for which he will not be forgiven for some time to come."

The above-mentioned cable recalled that Haig had asserted that, in an emergency like the one in question, under the Constitution we resort to the president, the vice president and the secretary of state, in that order.

The EFE explained that, according to law, the secretary of state occupies fifth place in the succession, after the president, the vice president, the speaker of the House of Representatives and the president of the Senate.

Probably one of the most interesting characterizations of Haig that has recently been made is the one published early this year in the pages of the French daily LE MATIN.

"...what General Haig really is is the hybrid product of his own ambition and the domestic and foreign tragedies that have rocked the United States in the course of these past 15 years.

"We have here a famous general who has never led a force of any size, never served in a conquering army. A politician without any political foundation, a statesman with no experience in diplomacy. He is all this at one and the same time: a military, diplomatic and political official — a high official and, when all is said and done, none of these."

This is the way the current American secretary of state is regarded by several Western mass-circulation news publications which have attentively followed his progress and are now providing us with revealing information.

What someone who assumes such a great and influential responsibility says or does should of necessity be taken into account.

Now, aside from his responsibility, when one informs oneself as to the failings and acrobatics in Haig's career, one cannot get rid of the thought that in the

world of today the future of a diplomatic leader who attempts to engage in foreign policy with methods similar to those he at the time resorted to to gain admission to West Point without deserving to do so and years later to evade his responsibilities through manipulation of the Watergate affair and deservingly so is precarious indeed.

Helm's Role in Senate

Havana VERDE OLIVO in Spanish 7 Jun 81 pp 10-11

[Article by Elpidio Valdivia: "The 'Guardian Angel' of the U.S. Senate"]

[Text] His name is Jesse Helms, he is the chairman of the Senate Inter-American Affairs Subcommittee and a sort of self-made cave man situated to the right of the Republican Right.

Last 26 April the news agency EFE described as "surprisingly insulting" the fact that Helms had proclaimed himself to be a watchman over those men whose names had been proposed to perform duties involving a certain amount of responsibility in the State Department.

The lawmaker explained this attitude, saying that a number of the appointees posed serious doubts, as far as he was concerned, as to whether they really shared Republican viewpoints on foreign policy and the economy.

The above-mentioned cable adds that, as a result of Helms' investigations of these persons, "formerly important" officials were under a dark cloak of bureaucracy, neither appointed nor confirmed, 100 days from the new U.S. Government's assumption of office.

The EFE noted that among these were eight State Department nominations, objects of scrutiny in "Helms' thorough investigation, although four of them were exonerated in the judgment of the senator."

As very questionable, he singled out these candidates for undersecretaries of state: Chester Crocker, African affairs; John Holdridge, Asian affairs; Myer Rashish, economic affairs; and Thomas Enders ("although less harshly criticized"), Latin American affairs.

The last-named, nominated by the secretary of state as of early March, had to face tough opposition which lasted until 1 May, on which date Helms announced that he would not make use of his influence to block confirmation in Congress.

Nevertheless, on that same occasion he declared that he would continue to uphold his objections to Crocker and Rashish, even though they had been approved by the Senate Foreign Relations Committee.

Commenting on this situation on 22 April, the AFP said that, through his assistant, John Carbaugh, who wanted to have the post, "Helms has launched an intensive operation in the upper chamber consisting of minor measures designed to block Enders, the man chosen by Haig to take care of Latin American affairs."

Part of Helms' interest in delaying the appointment of Enders — an old associate of Alexander Haig's from the Vietnamese War — was attributable to his desire to put a man he could trust, businessman Louis Tamba, into the State Department undersecretariat concerned with the same geographic area he covers from the Senate subcommittee, namely, Latin America and the Caribbean.

His obsession with controlling that post went to such an extreme that, when he saw that his bid had failed, he suggested to Haig that he would withdraw the blockade to the confirmation of one of the State Department undersecretaries if Haig would approve a candidate that could be substituted for Enders and Tamba.

This tradeoff between highly placed gentlemen was disclosed last 4 March by the AP. It consisted of exchanging the appointment of Lawrence Eagleburger — nominated by Haig to handle European affairs — for that of Harry Shlaudeman, nominated by Helms as an alternate to take care of Latin American affairs.

Shlaudeman's diplomatic service record was amply eloquent, as shown by two simple examples selected in haste: head of the Bureau of Dominican Affairs during the landing of American troops in Santo Domingo (1965) and assistant chief of the American mission in Chile during the Salvador Allende regime.

According to the above-mentioned AP disclosure, "correspondent John Wallach of the Hearst newspaper chain said that Helms had told him in a conversation they had that he had informed Haig of his willingness to approve the appointment of Eagleburger if Haig would agree to the appointment of Shlaudeman."

But the effects produced by the policy pursued by the senator from North Carolina's faction assumed other forms.

On 28 April an AP cable reported that European diplomatic circles had expressed concern over the fact that "many important American ambassadorial posts are still vacant."

The cable said that an AP survey taken in Eastern and Western European nations demonstrated that apparently only Finland was certain of receiving an approved ambassador and that he would be a diplomat who had been there since the Carter administration.

The AP concluded, reminding its readers that several ambassadors had been appointed by the White House and accepted by the host countries "but were yet to be confirmed due to objections raised by Senator Jesse Helms, a prominent Republican member of the Foreign Relations Committee."

Commenting on the situation, the AFP on 30 April said that it had reached such extremes because Helms "tried to set himself up as a sort of guardian angel of conservative ideas."

Then it was recalled that this same lawmaker — a vehement partisan of military aid to Angolan counterrevolutionary groups — constituted the major force behind pressure to suspend financial aid to Nicaragua.

Referring also to the chairman of the Senate Inter-American Affairs Subcommittee's political plan, last 23 April the EFE reminded us that he had sponsored the candidacy of retired Lt Gen Edward Rowney to occupy the post of head of the Disarmament Agency, an idea that some observers then passed judgment on with sarcasm.

During the Carter administration Rowney had worked on the arms limitation negotiating team but had tendered his resignation after opposing with all his might the signing of the SALT II Treaty, signed in Vienna by the American president and Soviet leader Leonid Brezhnev.

Many have asked who this senator is, whose influence has, among other things, succeeded in paralyzing the appointments of four State Department undersecretaries, delaying the appointments of American ambassadors in Europe and squelching part of the financial aid to a Latin American nation.

Possibly one of the best answers to this question appeared last 16 March in the American weekly NEWSWEEK in an article entitled "The Senate's Mr Right."

The article says that Senator Jesse Helms of North Carolina may to a certain extent have appeared to be "a simple regional curiosity" in the field of national politics, a character the provincial press of his home town holds up to ridicule and one who is everywhere regarded as "a rare American aborigine."

"Six feet tall," it adds, "he is an ungainly fellow who masks his sudden fits of rage with the look of a horned owl, wears nothing but striped cotton duck and has unfailingly gallant manners."

The review quotes a few words by Thomas Ellis, Helms' political agent, when he once said: "Some people say that he is a reactionary and I presume that he may be one."

Referring to the senator's background, the article notes that he is the son of a chief of police and the local fire department and was born in a neighborhood on the outskirts of the small town of Monroe, North Carolina.

As a young man, he plunged into politics as a member of the town's municipal council and senatorial team, although — the weekly pointed out — his real apprenticeship was during the 12 years he was earning \$2,700 as an editorial commentator on the Raleigh television channel and the Southwide Tobacco Radio Network, "attacking black agitators."

Explaining how such a character could have developed into a power factor in the U.S. Senate overnight, the review writes:

"...the times and conservative trends have elevated him from his seat in the back row, provided him with a personal political machine and a transcontinental retinue of worshipers and turned him loose among the sinners of Washington like the arch-deacon of the New Evangelical Right."

According to the same commentary, offstage and 59 years of age, Helms enjoys in a carefree manner the role history has reserved for him.

Will history reserve a place for Jesse Helms?

And supposing it should turn out that way, what sort of role? Perhaps that of the fiery and persistent radio and television commentator who for 12 years devoted himself to lashing out at American blacks or simply, parodying ~~NEWSWEEK~~, that of a regional curiosity who ended his days without crossing the physiological bounds of a rare American aborigine.

On the fringes of the answer this question may give rise to there is another reality which we cannot avoid and that is that men with this sort of anachronistic political and ideological design constitute real influential factors in the structuring of American politics as regards our Caribbean and Latin-american area, in view of the fact that it is enough for us to comprehend the potentialities inherent in it.

And the fact that such attitudes may serve to alert us confers on Jesse Helms a merit we cannot deny him because he may be the only one who possesses it.

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CSO: 3010/1467

U.S. ARMS SALES TO SOUTHERN CONE CRITICIZED

PAL80359 Havana International Service in Spanish 2310 GMT 17 Jul 81

["Our America" commentary]

[Text] Just a few weeks ago, the U.S. imperialist regime publicly announced that it would resume the sale of arms to the Chilean, Argentine, Paraguayan and Uruguayan regimes. This was done according to Washington's belligerent policy and in line with the more reactionary and aggressive sectors of the U.S. Congress who approved the reinforcement of military and police forces in these four countries of the South American southern cone.

Washington also publicly announced that henceforth it will not oppose or abstain from voting in international financial organizations proposing the granting of credits to any of these South American nations.

Alexander Haig justified the White House decision because of a notable improvement in the human rights situation in these countries which has allowed the United States to support its traditional allies in Latin America.

The truth is that the U.S. imperialist government has never abstained from supporting the fascist regimes in the South American southern cone. In line with the demagogic campaign of respect for human rights, the previous U.S. Administration under James Carter did reduce the supply of weapons and ammunition to these governments. However, it always supported them, underhandedly at times and openly at others.

With the arrival of the present regime, the U.S. foreign policy took a new turn with regard to countries of the so-called Third World. According to its aggressive tendencies, it began a brutal campaign against what it called the struggle against international terrorism. This term is used by Washington to describe the patriots' fight for the freedom and independence of peoples.

Not long ago, Senator Edward Kennedy said that the decision to increase the supply of arms to the southern cone regimes was another mistake. Kennedy said that any one analyzing the situation in Paraguay where the Alfredo Stroessner dictatorship feeds on the suppression of freedom, or in Argentina where some 15,000 persons have disappeared, or in Uruguay where political prisoners still languish in the prisons of the regime, would admit the absence of any justification that could support the decision to resume the sale of weapons to these regimes.

Speaking about Chile, Kennedy said that the announced U.S. military and economic assistance is such more surprising. The Augusto Pinochet regime has not only been a consistent violator of human rights but has also promoted international terrorist activities in the United States and other countries.

To all this must be added the considerable aid given by the U.S. Government to the despotic regimes in El Salvador, Guatemala and El Salvador where peoples fight for their final liberation. The aid given by Washington to the dictatorships in this region has been estimated in the hundreds of millions of dollars. These dictatorships are, day by day, showing their inability to halt the growing strength and consolidation of guerrilla movements. They are consequently unable to watch over the economic interests of monopolies and other imperialist forces.

However, the U.S. Government does not learn from the defeats in Cuba and Nicaragua. It remains determined to drown in blood the peoples of our America in a battle which it has lost before because history has shown that bullets or cannons cannot break the will of peoples determined to fight for their real independence.

CSO: 3010/1560

GUATEMALAN REGIME SCORING FOR BRUTALITY

PA171447 Havana International Service in Spanish 0000 GMT 17 Jul 81

["Dus America" commentary]

[Text] The Guatemalan fascist regime, which is supported militarily, politically and economically by the U.S. imperialist government, wages a systematic and violent repression against the Guatemalan people. In the past 3 years alone it has claimed over 6,000 lives.

Such genocide is being committed by the army, the police and the paramilitary bands who operate with impunity throughout the country and are organized by the military hierarchy and the national oligarchy. The peasants bear the brunt of the genocide. In addition to suffering persecutions, tortures and death, they are also the victims of the indiscriminate bombings by the Guatemalan Air Force which drops hundreds of 200-lb and napalm bombs in its desperate efforts to clear the area of guerrilla forces.

Only 2 weeks ago in Mexico City, Guatemalan peasant leaders charged that the bloody dictatorship of Gen Romeo Lucas Garcia has plunged Guatemala into the worse political crisis of its history. They charged that from 1954 to date, the despotic regimes in that Central American country have murdered over 80,000 Guatemalans. For this reason, they said, we have come to Mexico along with 800 peasant families. We are convinced, they added, that only death awaits us in Guatemala.

Two of these peasant leaders, Bonifacio Rodas and Reginaldo Aguilar, their bodies showing the signs of torture, offered the press dramatic testimony of the atrocities committed by members of the so-called secret anticommunist army at El Arbolito farmers cooperative, where they killed at least 15 peasants and captured over 20, whom they tortured and hacked to death with machetes several days later. Only a few were able to survive to denounce such atrocities before the world.

Rodas said that after he was arrested, his captors tied a cord around his thumbs and dragged him several meters. Then they covered his head with a hood and subjected him to a mock execution. Later, they tied a rope around his neck with a stick in the end, tourniquet-style, to choke him. Rodas was subjected to these tortures for more than 15 days before his captors realized he was not a guerrilla. Nevertheless, he noted, they forced him to sign a declaration admitting to being a rebel.

Rodas continued that many of those arrested with him could not withstand the torture and died. Rodas said that when he and his companions were released, an army captain warned them not to say anything about what had happened to them or they would kill their women and children.

When they got home, sick and wounded, they found their farms sacked and their belongings totally destroyed, Rodas said finally.

The dramatic situation of those 800 families who have sought refuge in Mexico is similar to that of many others who live on the border of Chiapas Province in Mexico in order to escape the terror unleashed in the rural Guatemalan areas by the army and paramilitary groups. Guatemalan peasants in that Mexican region live in improvised camps in Nohencanan, Macachi, Frontera Echeverria and La Fortuna.

Such testimony confirms the justice of the war for the total and definitive liberation of Guatemala being waged by the revolutionary organizations of that Central American country. The Guatemalan people know that they can always count on the solidarity and support of the progressive forces of the world, which firmly confront the might of imperialism, the main enemy of the peoples of the world.

CSO: 3910/1560

ADVANCES SINCE NICARAGUAN REVOLUTION DESCRIBED

PA190300 Havana International Service in Spanish 2310 GMT 18 Jul 81

["Our America" commentary]

[Text] The young Nicaraguan revolution celebrates its second anniversary on 19 July and in just 2 years the people of this sister country have made many achievements in the economic, educational, public health and other fields.

The reactivation of the economy was the priority task of the young leaders of the Sandinist people's revolution, and it could not be any other way in a country devastated by several decades of foreign exploitation and the systematic and merciless pillaging of the national treasury by the Somozist dynasty. Nicaragua has already met the initial goal to restore production levels that existed in 1978, a task that demanded the repairing of the damage caused by the liberation war to important sectors of the nation's economy in 1979. At the end of last year, the nation's gross national product had increased by almost 11 percent and a total of 112,000 new jobs were created. Inflation was reduced to 27 percent and the foreign debt inherited from Somozism was renegotiated under favorable terms.

The economic efforts made by the leaders of the Nicaraguan revolutionary process are praiseworthy, if we take into consideration that progress was made in this respect without neglecting other projects of broad social benefit. Education and public health are today free privileges of the Nicaraguan people. These indispensable services have been extended to the most remote corners of the country. Hundreds of hospitals, polyclinics and health centers have been established in rural areas and periodical vaccination campaigns are carried out to prevent diseases which caused serious casualties among the population, particularly children. The education budget has been tripled compared to what it used to be in the last year of Somozism. Enrollment in school is three times higher than during the tyranny. The national literacy crusade was a big success in 1980. Half-a-million persons were taught to read and write. This was followed by an intensive primary education course with the participation of 30,000 teachers.

These economic and social advances have been attained in the land of Sandino, despite the material and human resources that have been diverted for military training of the armed forces and the Sandinist militias in view of the growing threats of aggression from abroad against Nicaragua. In addition to economic aggressions, U.S. imperialism is giving material and moral support to the bands of former Somozist

guardsmen who are conducting frequent criminal incursions to Nicaragua from 14 camps established in Honduras with the tolerance, if not the complicity, of the Honduran military regime. It is also well known that former Somozist guardsmen are training in the United States for a counterrevolutionary intervention in the new Nicaragua.

But the heroic people of Nicaragua do not fret in the face of these threats and they are joyfully participating in the celebration of the second anniversary of the people's victory of 19 July, which like all current activities in that country are preceded by the slogan: Production and defense. At this second anniversary the people are demanding from the authorities a more severe attitude toward the maneuvers of economic sabotage carried out by sectors of the antipatriotic businessmen and an end to the generosity of the revolution toward the criminal elements making attempts on the lives of peasants, workers and students.

The Nicaraguan people, who have the internationalist support of friendly countries and the active solidarity of all the peoples of the world, are also celebrating in these days the 20th anniversary of the foundation of the Sandinist National Liberation Front, FSLN, which not only led the struggle against Somozism, but which is currently leading the immense task of taking the country out of economic underdevelopment and consolidating freedom and the independence of the fatherland.

CSO: 3010/1560

BRIGADIER GENERAL GALVEZ DISCUSSES FORTHCOMING BOOK

Havana VENDE OLIVO in Spanish 31 May 81 p 59

[Interview with Brig Gen William Galvez on his latest book "Salida 19" by Maria Begona Arostegui; date and place not given]

[Text] "It was on 27 or 28 December that we heard the news. Along with other comrades, we were cleaning the corridor of the jail cellblock; we stopped what we were doing to listen to the radio. We were used to reports from the "Press and Military Radio Bureau" about the murders committed with impunity by the dictatorship, but that news was dreadful.

"That night I could hardly sleep. I thought only of what had happened. My cot seemed smaller; I moved about constantly...."

These paragraphs are part of the book to be published soon entitled "Salida 19," by Brig Gen William Galvez, who tells about the crimes committed in December 1956 in the northern part of Oriente Province, just days before the embarkation of the "Granma," and dubbed "Bloody Christmas" by the people. At that time Galvez, who belonged to the 26 July Movement, was in Boniato prison, in the capital of Oriente Province, because of what happened on 30 November in Santiago de Cuba.

Now, not quite 25 years after those events, we find ourselves reentering the past with the author of those historical tales which are, in part, phases in his own life.

"The motivation," he said, "came from the importance of having the young people know the facts about the revolutionary struggle against the Batista tyranny and for final independence, and we believe that this must be written by comrades who had the honor of participating in them."

After recalling that on several occasions General of the Army Raul Castro has pointed out the need to gather testimony and personal experiences concerning that historic period to prevent their being lost, he explained: "This book has been several years in the making. We began it at the same time as 'Camilo: senor de la vanguardia,' and we always thought it would come out first because it concerns a theme with which I was more familiar and which I considered less documentary; however, we gave priority to the other because of all that Camilo means as an example for our youth.

"This means that for several years I have been collecting hundreds of interviews, testimonies and documents, including telephone calls and reports from the former army, as well as numerous newspaper articles from that period. "Naturally the way we did it, taking advantage of free time and vacations, contributed to the delay in finishing it."

The book also tells about the planning of the execution of one of the dictator's bloodiest henchmen, Col Fermin Cowley Gallego, commander of the Holguin Regiment from May 1956 to November 1957, when he was executed.

This man, Galvez pointed out, was notorious for his criminality and sadism, since he ordered the murder of leaders of the 26 July Movement and of the Popular Socialist Party, although there were also victims among people opposed to the regime who were not members of any organization. He was also responsible for the massacre of the members of the Corinthia expedition (May 1957).

Meaning of Title

"When the attack was planned, it was necessary to go out 19 times before the plan succeeded; in other words, there were 18 unsuccessful attempts, and in the next one the commando group, composed of four persons--including myself--was able to fulfill its mission. This gave the work its title." The author of "Salida 19" says it is possible that "in the future I might examine some other aspect of the insurrectionary struggle, but right now this is not possible, because first I want to finish another book I have started about Hurricane Flora.

"The structure of the book is not completely linear, but rather contains some flashbacks, since we began with Bloody Christmas and later on described certain events which preceded it, from 10 March 1952, with the coup d'etat, up to the arrival of Cowley in Holguin."

The president of SEPMI [Society for Patriotic-Military Education] ties together with extraordinary fluidity his recollections of when he left Boniato prison (May 1957) and went to Holguin the following month to execute the murderer.

"The book describes superficially how the participating commando group succeeded in escaping and the bravery of several comrades who, although they were prisoners, did not betray our position.

"The text is in the process of being printed by the social sciences publishing enterprise, and we believe its publication will coincide with the 25th anniversary of Bloody Christmas next December."

He added that the volume is of a handy size and is more than 500 pages long, not counting the illustrations, which add about 80 more pages.

"We write because we like to do so," says Brig Gen William Galvez, "although we are neither professional writers nor historians; rather we try to mold together, within our capabilities, the experiences of comrades who took part in a phase which today belongs to the history of the people.

"When one writes this kind of book," he continued, "an investigative type of thing, we believe that personal experiences must be supported by broad documentation which, while giving veracity and analysis to the events, will inspire confidence in the reader."

The history sections of the party's Provincial Directorate in Holguin and of the MINFAR [Ministry of the Revolutionary Armed Forces] in Havana, the History Office of the Council of State's Executive Committee and Comrade Celia Sanchez, who personally gave much help, collaborated in writing the book "Salida 19."

FILAI members in Holguin and Las Tunas also contributed, so we know that a work of this type, he commented in closing, has to be the product of a group effort.

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CSO: 3010/1482

FAR ACADEMY RECEIVES SPECIAL EMULATION AWARD

Havana VERDE OLIVO in Spanish 31 May 81 p 54

[Article by Jorge Luis Blanco]

[Text] The Second Party Congress banner was awarded to the General Maximo Gomez FAR [Revolutionary Armed Forces] Academy in a solemn ceremony presided over by its director, Brig Gen Manuel Fernandez Falcon.

The high honor was conferred on this center of military learning by the party Central Committee for having fulfilled its commitments during the development of the special emulation held in salute to the most important meeting of Cuban communists.

Those commitments were directed basically to improving and ensuring the efficiency and quality of the teaching process; to the improvement of military scientific work, to the maintenance, conservation and development of technology and weapons and in general to the improvement of combat readiness.

Alfredo Cardenas, secretary general of the Union Bureau of FAR Civilian Workers at the academy, described the award in his speech and said that it constitutes in itself a new commitment to continue working with the same quality as before. Brig Gen Manuel Fernandez Falcon was in charge of the closing ceremonies and he said that "we have come together with great satisfaction and revolutionary pride in this beautiful ceremony to receive officially the banner being awarded us by the Central Committee of the Cuban Communist Party for the relevant results achieved by our academy in fulfilling our honorable commitments within the framework of the special emulation in salute to the Second Congress.

"In this banner," he added, "we see represented the enthusiasm, revolutionary spirit, initiative, talent and creative skill of each one of you, as well as the love, determination and interest with which each comrade gives himself completely to his work for the successful fulfillment of the many tasks given the FAR Academy.

"We are sure," continued the director of the General Maximo Gomez FAR Academy, "that during this year of the 20th anniversary of Giron, we will fulfill with the same dedication and with even better results our emulative commitment in salute to the 25th anniversary of the embarkation of the "Granma" and of the founding of the glorious Revolutionary Armed Forces."

FAR SENDS BIRTHDAY MESSAGE TO RAUL CASTRO

Havana VERDE OLIVO in Spanish 7 Jun 81 p 9

[Text] Comrade General of the Army Raul Castro Ruz

Second Secretary of the Cuban Communist Party Central Committee and Minister of the FAR [Revolutionary Armed Forces]:

On behalf of the generals, admirals, commanders and other officers, warrant officers, sergeants, soldiers, sailors, cadets, marines, Camilitos [students at Camilo Cienfuegos military school] and FAR civilian workers, we congratulate you with all our hearts on your 50th birthday.

How much you have given to our FAR, which is soon to have its 25th anniversary! Efficiently complying with the party's directives and applying the teachings of our beloved commander in chief, Fidel Castro, you educate us in fidelity to Marxism-Leninism, the power of the working class and the Cuban Communist Party. In you the chiefs, command cadres, specialists and political workers have a constant model of discipline, creative spirit, talent and illustrious example. Receive, comrade minister, on this anniversary of your birth, our most heartfelt wishes for your health, good luck and new success in the high responsibilities the party and the state have placed in your hands.

On this happy occasion we reiterate that we will continue to dedicate the best of our energies and our intellectual and moral capacities to the effort, so that our country will be ever--as our commander in chief said in his report to the Second Party Congress--"...a very tough bone to chew for the teeth of Yankee imperialism, and a thorn which will stick mortally in its throat if it ever tries to attack us."

Best wishes, dear comrade minister!

Fatherland or Death.

We shall win.

VERDE OLIVO Staff

3 June 81

Year of the 20th Anniversary of Giron

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CSO: 3010/148.

NEED FOR TANK MECHANICAL ENGINEERS NOTED

Havana VERDE OLIVO in Spanish 31 May 81 pp 32-35

[Article by Mario Rodriguez: "Mechanical Engineers Needed"]

[Text] The students of the FAR [Revolutionary Armed Forces] Gen Antonio Maceo Interservice Institute for Tanks and Transport are getting ready to begin their educational activities for the day.

Some groups are headed for the modern physics laboratories while others are getting ready for classes on social science or general technology.

Educational activities take place throughout the various buildings making up this important center of higher military education. Through these activities the future officers and mechanical engineers specializing in tanks and transport are making rapid strides in their professional training.

They know that in good measure the readiness and fighting strength of the various units depend on their dedication to their studies and on how well they are trained.

For this reason each student works as hard as possible on his tasks, eager to devote his military career toward meeting the needs of our Revolutionary Armed Forces.

But in addition to the enthusiasm evident in each student, what leaps to view is the great effort made by the Tanks and Transport Department to expand and modernize the various installations.

Lt Col Marcelino Mateu Moya, a doctoral candidate in technical science and the head of the Tanks and Transport Department, told us, "As you can see, the department and the whole institute are growing day by day."

Then he added, "This entire building program is needed as part of the educational effort itself, because graduates of the center must be trained in all respects in order to be able to deal with the complex scientific and technical problems they will confront during the course of their practical activity.

"This is why we are sparing no efforts, and will spare none in the future, in building and equipping new laboratories, specially equipped classrooms and everything else needed to raise the quality of the training."

Often it is believed that as a future professional FAR member the cadet receives training only in those subjects which will be indispensable to his military work, but the reality is quite different.

During the 5-year program, the future officer-engineer receives a complete education which readies him for life as a professional with advanced training who is able to resolve the complex and varied problems he can confront in the daily activity of armored and transport units.

Suffice it to point out that during their studies the cadets receive detailed training in five basic areas.

For example, from the first to the fifth year the cadets study the various subjects which make up the social science area, such as history, philosophy, political economics, scientific communism and political and party work; all this is combined closely with subjects on basic science, such as physics, chemistry and mathematics.

Later they take courses in general technology, especially theoretical mechanics, theory of mechanisms and machinery, strength of materials, hydraulics, thermodynamics and descriptive geometry.

Along with this curriculum, the program includes instruction in general military subjects such as topography, regulations, engineering, armaments and so forth.

Lastly, in the third, fourth and fifth years, the officer-engineers-to-be specializing in tanks and transport equipment become fully involved in planning for their professional career through special technical and military subjects.

Here they address with full scientific rigor the study of theory, structure, assembly and monitoring of motors, tanks, transport machinery and armored transport vehicles, electrical equipment and another important item, how to cope effectively with any problem relating to using or repairing armored and transport equipment.

Lt Col Mateu explains, "Throughout the entire process the student carries out various projects which give them familiarity with independent work and the practical application of the material they have learned.

"In the tenth semester they move on to production and repair operations as well as matters relating to command roles in the units.

"This allows them to join in the life of the collective; they gain a certain experience through the practical solution of various problems which until then generally they had met only in theoretical form.

"As a final step the young cadet must take the state exams, in which he defends his graduation thesis, one of the most important and decisive aspects of the program."

Cadet Sixto Marrero Guerra (Fifth Year)

For cadet Marrero Guerra the end of the program is imminent. In July, at the symbolic and now traditional ceremony in historic Revolution Plaza when the graduates of the various military schools raise their arms and pronounce their solemn oath, Marrero Guerra will be present, glad to be completing his mission and looking forward to applying his knowledge as soon as possible.

But, as he noted, he must first finish a little work and pass the final exam.

Marrero explained to us that just now he is involved in finishing his graduation project.

He said, "The subject is a plan for a command mechanism for a certain kind of transmission used in a type of tank. I had to work hard on the preparation for the project. First I had to develop the work plan, then search the literature available and study it in great detail--all told, there was much of tension."

"You must be finishing it now."

"Don't you believe it; right now I am in the planning phase, that is, the construction phase and the technical and economic analysis are still to come."

"In fact through all this period of work I have learned a great deal, mostly through individual investigation and research. At the same time I have tested the solidity of what I have learned."

"And as for defending the thesis, will you be able to handle that without any problem?"

"I think so; I am working on it day and night. If a person is sure about what he has done there should be no insoluble problems."

Cadet Orlando Condia Molina (III year)

Orlando came to the FAR interservice school after successful completion of studies at the Camaguey EVMCC [Camilo Cienfuegos Military Vocational School].

When he first arrived at the center he did not know which specialty to choose, but he was sure of wanting to be an engineer.

Soon afterward, he entered the Department of Tanks and Transport. Because of the constant school activity he did not really notice how much time was passing. At the end of the first year he had arrived at the firm conviction that he was made for mechanical engineering.

Now at the end of 3 years of persevering study, Orlando feels just as motivated as on the first day.

He said, "In our military higher education center we have the necessary conditions for study and research."

"We have a modern facility with complete laboratories and special classrooms, which make it possible for us to get a thorough grounding in the subjects we study.

"I would like to emphasize, also that the professors work unselfishly and with a high level of competence to give us the knowledge we need. With them, any time is the right time to help us clear up doubts or to offer us the proper guidance.

"Also, our profession is necessary and valuable, because the successful fulfillment of transport and armored units' missions depends on the quality of our work. This is the reason we strive harder every day in our studies, in order to be more useful and in order to be effective in meeting our obligations as mechanical engineers specializing in tanks and transport."

It is Monday. The afternoon is providing the students of the Tanks and Transport Department with time for an activity which is just as necessary as the schoolwork proper. On the playing fields the future officer-engineers are showing off their skills in their favorite sports.

There is no doubt that with each new graduating class the Revolutionary Armed Forces will have highly qualified new professionals capable of dealing with the needs of modern military action.

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CSO: 3010/1468

BRIEFS

OCLAE CONSULTATION MEETING--Fernando Ramirez, president of the Continental Organization of Latin American Students (OCLAE), has reported that the OCLAE's consultation meeting will open on 8 August in Havana. The main objective of the meeting is to analyze the OCLAE's work since the organization's last congress. [FL180044 Havana Domestic Service in Spanish 1807 GMT 17 Jul 81 FL]

PARTY SCHOOL GRADUATION--Antonio Perez Herrero, alternate member of the PCC Politburo and member of the Central Committee secretariat, has presided over the graduation exercises of the 1980-81 academic year at the PCC's Nico Lopez School in Havana. One hundred and thirty-nine students from Cuba and several friendly countries graduated from social science and political-ideological courses for journalists and propaganda writers. Nicaraguan (Oscar Oviedo) spoke on behalf of foreign students and thanked the Cuban party and government for allowing him to further his education at the Nico Lopez School. [FL180044 Havana Domestic Service in Spanish 2300 GMT 17 Jul 81 FL]

UN KAMPUCHEAN CONFERENCE--The Afro-Asian-Latin American Peoples' Solidarity Organization (AALAPSO) has released a communique in Havana in which the executive secretariat of the organization warns world public opinion of the maneuvers of China and yankee imperialism against the People's Republic of Kampuchea. It points out that the international conference over the so-called Kampuchean problem has been promoted at the United Nations by the United States and China and that the conference is held against the will of the Kampuchean Government which is the legitimate representative of the Kampuchean people. [Text] [FL171340 Havana Domestic Service in Spanish 1100 GMT 17 Jul 81]

NATIONAL POET HONORED--National poet Nicolas Guillen, member of the PCC Central Committee and President of the National Union of Cuban Writers and Artists (UNEAC), was declared distinguished son of the city of Camaguey in a solemn ceremony. Guillen was born in Camaguey city 70 years ago. This resolution of the people's government municipal assembly was fulfilled yesterday at the house where Maj Gen Ignacio Agramonte was born and is part of the program of activities honoring Guillen on his birthday. The University of Camaguey invested Guillen last night with the degree of doctor in philological sciences with the special teaching category of professor emeritus of that educational center. Fernando Vecino Alegret, member of the PCC Central Committee and minister of higher education, stated in his closing remarks that even though other Cuban and foreign universities had honored Nicolas Guillen, the honor bestowed on him by the University of the city where he was born has a special value. [Text] [FL151137 Havana Domestic Service in Spanish 1000 GMT 15 Jul 81]

ALMEIDA VISITS NICARAGUA--Commander of the revolution Juan Almeida Bosque arrived today in Managua, the Nicaraguan capital, at the head of the Cuban delegation to the celebration of the 2d anniversary of the triumph of the Sandinist people's revolution. Almeida Bosque, member of the Communist Party of Cuba Politburo and vice president of the Council of State, is accompanied by Rene de los Santos, member of the Central Committee; Roberto Bello, deputy to the people's government National Assembly; and Manuel Guillot, a party official. The Cuban delegation was received at the Augusto Cesar Sandino International airport by Commander Bayardo Arce (Castano), coordinator of the political committee of the Sandinist Front's National Directorate. [Text] [FL18004] Havana Domestic Television Service in Spanish 0000 GMT 18 Jul 81]

SOVIET MILITARY VISIT--As this edition goes to press we are celebrating the arrival to Cuba of an official goodwill mission headed by Col Gen Lizichev Aleksey Dmitriyevich, deputy chief of the Main Political Directorate of the Soviet Army and Navy. The delegation was received at Jose Marti International Airport by Col Armando Saucedo Yero, first deputy chief of the Central Political Directorate of the FAR [Revolutionary Armed Forces] and member of the party central committee, and by Lt Gen Sergey Krivopliazov, chief adviser of the MINFAR [Ministry of the Revolutionary Armed Forces]. Also present at the airport were Navy Capt Eladio Calvo Gonzalez, deputy chief of the Central Political Directorate and alternate member of the party Central Committee; Navy Capt Gennadiy Mikhailov, Soviet Embassy naval and air attache, as well as other officers and chiefs of the FAR. Also in the group were Maj Gen Aleksandr Iosifovich Serylnik, Col Vladimir Fiodorovich Molchanov and frigate captain Aleksandr Fiodorovich Scheglov. The delegation from the Main Political Directorate of the USSR Army and Navy will participate in numerous activities in Cuba, including visits to military units and training centers, visits to places of historical interest and meetings with party and state leaders. [By Jorge Luis Blanco] [Text] [Havana VERDE OLIVO in Spanish 31 May 81 p 55] 11989

WESTERN TANK UNIT HONORED--Recently a tank unit of the western region celebrated the 20th anniversary of the founding of the tanks and transport specialty. Among the presiding officials were Brig Gen Francisco Cruz Bourzac, deputy FAR [Revolutionary Armed Forces] minister for armaments and technology and alternate member of the party Central Committee, and Brig Gen Iraldo Mora Orozco, who is also an alternate member of the party Central Committee, and chiefs of MINFAR [Ministry of the Revolutionary Armed Forces], directorates and representatives of the Soviet military specialists. During the ceremony, certificates were awarded to a group of comrades honoring their role in founding the Tanks and Transport Directorate; these comrades accepted the awards as representatives of all the officers and civilian workers who helped in this work. [By Mario Rodriguez] [Excerpts] [Havana VERDE OLIVO in Spanish 31 May 81 p 55] 11989

CSO: 3010/1468

PRD LEADER CRITICIZES OFFICIAL'S VISIT TO CHILE

PA190333 Paris AFP in Spanish 2349 GMT 18 Jul 81

[Text] Santo Domingo, 18 Jul (AFP)--Dominican Foreign Secretary Manuel Enrique Tavares' recent visit to Chile caused a large political upheaval here today.

Jose Francisco Pena Gomez, secretary general of the ruling Dominican Revolutionary Party (PRD), said today that "Tavares' trip to Chile and his agreements and statements have not benefited the Dominican Republic or the Guzman administration in the least." Pena Gomez specifically criticized the words of praise which Tavares had for President Augusto Pinochet and his government system while signing bilateral agreements in Santiago.

Pena Gomez said that "the PRD and President Antonio Guzman's government have different political positions."

With these statements the secretary general of the ruling party underlined the differences between the party stand and the government stand a scant year before new general elections will be held.

In addition to being the top PRD leader Pena Gomez is the Socialist International's president for Latin America.

The PRD said that "Foreign Minister Tavares' statements in Chile might be interpreted as those of a party leader and might cause us a lot of harm because we are allies of Chilean groups in exile."

"As a nation Chile is praiseworthy," he said, "but its political system is light years behind the Dominican Republic's." Pena Gomez added: "It is grotesque to speak of human rights in Chile because thousands of Chileans are banned from returning to their fatherland."

He then stressed that in decorating Gen Augusto Pinochet the diplomatic arm of the current government once again made a mistake as it did when it awarded a decoration to Guatemalan President Romeo Lucas Garcia.

CSO: 3010/1562

UNGO PROPOSES 'TRULY DEMOCRATIC POLITICAL SOLUTION'

Rome QUOTIDIANO AUSEI in Italian 30 Apr 81 pp 2-3

[Interview with Manuel Guillermo Ungo, head of the Democratic Revolutionary Front of El Salvador, by Silvio Versace, of the international bureau of UIL]

[Text] Ausei, 28 April 1981--Manuel Guillermo Ungo is the chairman of the "Democratic Revolutionary Front" of El Salvador, the opposition coalition which is fighting hard against the current civilian-military junta, headed by the Christian Democrat Napoleon Duarte.

Guillermo Ungo is a socialist, head of the MNR (National Revolutionary Movement), a party affiliated with the Socialist International, which has always become involved in all the historic opportunities which there have been in El Salvador to transform in a democratic direction a country which is dominated by a tough oligarchy, which is above all an exporter of agricultural products, supported and defended by the army.

Ungo was elected by all the opposition forces (which are very composite and diversified ideologically) to serve as chairman of the "Front" with the extremely difficult task of finding a political solution to the Salvadoran war.

We took advantage of his participation in a national demonstration of the CGIL/CISL/UIL Federation [Italian General Confederation of Labor/Italian Confederation of Labor Unions/Italian Union of Labor] in support of the Salvadoran people, to address a few questions to him.

[Question] Many countries which are politically important in Latin America, Mexico, Brazil, Venezuela, even Europe, have declared themselves favorable to a political solution and many statesmen, Tindemann, Brandt, Kennedy, Torrijos have offered their own mediation between the parties in conflict. And yet, no important steps have been taken in this direction. Why?

[Answer] A political solution cannot be built in one day, but it requires a long and articulate process, all the more difficult in a real war situation. Our tragedy has gone beyond the frontiers of El Salvador and the international participation of political forces and of governments interested in the political solution is of the greatest importance for us."

[Question] What type of solution?

[Answer] It must be a truly democratic political solution, to be acceptable. Not just any solution. On this point, we find the real obstacles. For 50 years of our history, through falsified elections and coups d'etat, we have had only false solutions, which have not modified the structure of power. There exists a political, economic and military minority which for all these years has benefited from a system of exploitation and of domination, has intensified the repression against the majority of the people and today is interested in a military solution, only a military solution, to the current conflict. The majority wants a true democratic solution.

[Question] Is the Front, with its military vanguard the FMLN capable of reaching this objective?

[Answer] The FDR [Democratic Revolutionary Front] cannot obtain it alone. We need the collaboration of all those productive sectors which, even though in the minority, have, in the Salvadoran society, an important specific weight. We want to create with them a convergence on the democratic revolutionary design of the Front, without assuming, however, a position of hegemony. These sectors are also subject, politically and economically, to fascist repressive power, but they are available for a democratic solution.

[Question] That is from the internal point of view. And what about the international one?

[Answer] The international forces have a fundamental role within this framework, especially the government of the United States, which is the main economic, political and military support of this falsely centrist junta. Without American involvement in this democratic plan, it will not be possible to modify the position of those forces which are opposed to the political solution of the conflict.

[Question] Do you have any contacts with the North American government?

[Answer] Directly, no. With the Carter administration, there were a few contacts, even though they were unproductive because of the unrealistic American position which wanted to impose a limited and controlled democracy. Today all relations have ceased. I believe there are political reasons. The Americans do not want to decrease their support for the current junta, weakening it, for which reason I believe that the contacts are going through a third party. But the fundamental problem is to convince the Americans to change their policy toward my country.

[Question] Are there real possibilities?

[Answer] I am moderately optimistic. I see that in my country the belief in a political solution is increasing. I see that internationally there is a great solidarity among the countries which I mentioned and also on the part of the Vatican. All this makes it increasingly difficult for the United States not to change their own conduct, because on the one hand they are heading for political and moral isolation and on the other they are heading for a defeat of their military effort. Already, during the month of January, they carried out a political and military effort on behalf of the civilian-military junta. It was a failure for them: the forces of the revolutionary army were not destroyed but on the contrary were strengthened. The

United States is becoming increasingly involved militarily and yet the base of support for the popular war is not decreasing but is being strengthened.

[Question] As a sort of Vietnam?

[Answer] That is the pattern. With all the great political cost which this involves both internationally and within the United States, where a strong reaction is developing against this policy and in favor of a negotiated solution.

[Question] Is there not a danger that a sort of endemic guerrilla warfare will be created, like the one in rural Colombia?

[Answer] I would say not. The Salvadoran process has demonstrated the combination of various methods of struggle. It is not a guerrilla movement which is isolated from the people.

It is getting stronger every day, even though the junta has already announced five times that it has eliminated it. We do not have many jungles in which to hide in our country. But every man and every woman is a forest, a jungle. There is no weariness. The army cannot reach the military objectives which it has set for itself in many departments of El Salvador.

[Question] And beyond the military aspect?

[Answer] Some 250,000 refugees, an increasing economic crisis; the monetary reserve is made up of less than 30 million dollars, unemployment reaches 30-45 percent, a percentage which is twice as big again as last year's. Thus the economic and political system is crumbling and the army itself will not be able to fight indefinitely.

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CSO: 3104/296

SMT READY TO BEGIN OPERATIONS

Mexico City EL SOL DE MEXICO in Spanish 27, 28, 29 Jun 81

[Article by Roberto Martínez Maestre]

[27 Jun 81, pp 1-A, 17-A]

[Text] Isthmus of Tehuantepec, 26 Jun --Across its "waistline," Mexico joins the two great oceans. This year it will be the passageway through which millions of tons of goods must pass. The result will be a major source of income.

Thousands of men and gigantic machines are working feverishly in the region and in the two ports that lie on either side, to meet the deadline of opening the transisthmian land transportation system in 90 days. In its first year alone, the system will yield about 1 billion pesos for the country.

Thus, a dream dating back to the colonial period, discussed, criticized and cherished over the centuries, is becoming a reality: The goods that must cross the continent will go across the Isthmus of Tehuantepec, enabling Mexico to break up the "monopoly" of Panama and the "land bridges" of the United States.

EL SOL DE MEXICO toured the 300 kilometers of land that lies between the Pacific Ocean and the Gulf of Mexico in this region; it visited the key ports of the system, Coatzacoalcos and Salina Cruz; and saw the progress of the work. Tomorrow President Lopez Portillo, during his visit to Oaxaca, will see the latter port as well.

Our trip, which covered areas where the jungle shows what constant humidity can do, and where rich livestock regions and vast stretches of land await the final stimulus, also included a long interview with the director general of the Multimodal Transisthmian System (SMT), Fernando Bueno, and his top advisers, engineers Conrado Toledo Ortiz, Miguel Torres Rojas and Carlos Haro. The first two are assistant directors of operations and financing, respectively, and the third is in charge of planning and coordination.

The magnitude of some of the projects, said Mr Bueno toward the beginning of our long talk, will not be apparent when they begin to function, but their importance will be revealed as time passes.

However, we will not have to wait long to see the results of the SMT. According to the predictions of those who have completed the project, within 5 years the system will yield revenues amounting to 7.5 billion pesos. But the figure will be much greater if prices for all services continue to rise.

The Multimodal Transisthmian System is already practically ready to start its operations. In the two ports that will be the origin and destination of the goods, facilities are already capable of providing services. The railroad and highway that join the two ports are ready to accommodate the enormous convoys and the heavy trailers, although until the latter arrive they will be serving the region just as they have done for decades.

In fact, the railroad has been functioning since 1907, and the highway, although of more recent construction, has also been serving as a link between the country's two coasts for several years.

Nonetheless, neither the transisthmian railway nor the paved roadway that crosses the same territory have been utilized to their full potential, given their strategic location in terms of world trade, except for the 6-year period when Porfirio Diaz ordered 20 railroad convoy runs per day between the two ports. The ports, however, lacked the necessary facilities to provide efficient transportation service, so the trains became huge markets that brought produce and animals from town to town.

Thus, that rustic transisthmian route was forgotten as soon as Panama began using its brand-new canal in 1914. But the idea stayed alive, and the projects, discussions and even lawsuits began.

Innumerable studies were made of the isthmus, some serious and others very farfetched, such as the one that proposed "to transport the huge cargo ships on platforms similar to large shipyards," to be deposited on the other side of the continent.

The projects, discourses and arguments continued. The controversy finally centered on the "Tehuantepec Canal," even though the first person to mention the possibility had to deal with sharp criticism because of the risk involved in "giving the Yucatan one more excuse for its independence movement."

The history of the canal thus ended before the first pickaxe was able to strike the isthmian ground, and the final toll was sounded for the controversial project when it was asserted that the canal would divide national territory.

The idea of utilizing the country's natural "waist" was very attractive, however, and in the first months of the current administration formal studies were begun. Those studies were finally approved, and 1.5 billion pesos were earmarked for the project. Fernando Bueno informed us that of that amount, 1.47 billion pesos has been spent.

It was decided to take advantage of the existing transisthmian railroad and highway, making the necessary modifications, and to make Coatzacoalcas in the Gulf

and Salina Cruz in the Pacific, the two ports that would meet present transportation needs. At present the majority of goods are transported in those enormous metal crates known as containers.

Work finally began early last year, and construction will be finished by October of this year, 18 months later, according to Fernando Bueno.

The new Multimodal Transisthmian System is a public, decentralized agency, with juridical personality and its own assets. Its task will be to coordinate and market the services provided by the "land bridge," since the port operation will be run by the shipbuilding enterprise Port Services of the Isthmus of Tehuantepec, and the transportation will be in the hands of the Mexican National Railways of Mexico and the highway transport concessionaires. All convoys and trailers will bear the logotype of the new decentralized agency, SMT, on their sides.

The letters were seen thousands of times by EL SOL DE MEXICO during its tour of the isthmus. Dozens of flatcars already sport the logotype as they sit at the beautiful old Matias Romero station in Oaxacan territory. The gigantic cranes being installed in the two ports, the vehicles that transport the already numerous personnel, and many other facilities also bear these letters.

In its first year of operation, the system will have eight locomotives, which have already been purchased, report the officials. It will also have 60 flatcars, especially built for the transportation of containers, and three cabooses. In addition, there will be 16 trailers and drayage platforms in each port that will be used to carry the huge crates from the ship to the railroad convoys. Each will pull 20 cars.

The port facilities consist of two berths, each 250 meters long and nearly 12 meters deep. They will accommodate the largest cargo ships in the world, some of them capable of transporting up to 3,000 containers. There is also a yard where as many as 2,750 crates can be stored, with electrical installations for the refrigeration of goods that require it.

The other facilities include a control and communications tower, repair shops, lodging for workers, an infirmary and guard stations.

The port equipment is made up of 30.5-ton gantry cranes, one in each port; a 300-ton mobile crane and yard cranes.

[28 Jun 81, pp 1-A, 3-A]

[Text] Isthmus of Tehuantepec, Jun 1981--The Multimodal Transisthmian Service not only will make Mexico a hub of world trade, but also represents a clear stimulus for a region where only a few have enjoyed the benefits of development.

Although the two ports that lie at either end of the land transportation system which crosses the Isthmus of Tehuantepec have long reflected the country's development boom, the region between them remained in a state of lethargy induced by the

tropical heat and by traditions which have no place in a nation that is about to become an economic power.

In that respect, SMT Director General Fernando Bueno points out that the new service will provide jobs in the area for 2,000 men, who will now also receive technical training in different fields.

EL SOL DE MEXICO got a first-hand look at the contrast between the ports and the fertile lands of the interior. All the activity, prosperity and incessant movement in the ports, particularly Coatzacoalcas, is countered with the lull of asphyctic heat in the interior, with the exception of some towns like Minatitlan.

Traditionally, comments Conrado Toledo, assistant director of operations of the Multimodal Transisthmian Service, it is the women who work here. The men, meanwhile, stay at home and take care of the children, swinging in a hammock.

Proof was found on the many stops made on EL SOL DE MEXICO's trip to Coatzacoalcas and Salina Cruz with companions. Women, many still girls, approach visitors to offer different goods for sale, ranging from crafts to local foods.

The SMT leaders say that this must change radically as soon as the "land bridge" across the isthmus begins to function in approximately 90 days. Then the region will receive the impetus it needs.

Participating on the new agency's board of directors are representatives of five national secretariats: Communications and Transportation, Finance, Patrimony, Human Settlements and Public Works and Commerce. Planning and Budget will also participate as a guest.

Fernando Bueno explained that the rates for the service (between \$400 and \$600 per container, depending on size and quantity) have been authorized by the Secretariat of Communications and Transportation, which is in charge of the sector that the SMT belongs to.

These rates had to be set in advance, mainly because the large shipping companies entered into open competition some months ago to use the services. This fact is cause for great satisfaction and optimism in the new agency.

Fernando Bueno reports that contracts will be signed beginning next July, and the first could be with a European consortium that wants to transport 80,000 to 120,000 containers a year across the American continent; a U.S. shipping line that transports 140,000 containers across the continent; and Zim Lines, of Israel, which also wants to use the service.

These cargo quantities are just the beginning of a growing demand which already far exceeds the SMT's capacity. In its first year of operation it will have a capacity of about 100,000 containers.

Concerning the manner of dealing with the problem, the service's top officials report that the development stages will be accelerated, and equipment purchases will be stepped up. In 5 years, then, the SMT's transportation capacity will reach 500,000 containers per year.

The railroad between Coatzacoalcos and Salina Cruz has had the same track since 1907, but now it has 38 sidetracks so that in practice it can function as a two-way line, since there can be simultaneous runs in both directions.

Convoys with 20 flatcars will travel on the rails, with up to four containers on each car. On the highway, which runs alongside the railroad, gigantic trailers, each carrying two containers, will travel.

The service will be basically a rail service, although certain kinds of cargo will be transported by highway, explained the SMT director.

The latter include goods that require refrigeration; although that service could be provided by the railroad, it is more secure on the highway.

Speaking of security, the inevitable question arises: How will valuable cargo be protected?

Fernando Bueno explains that there are already agreements with the Federal Highway Police, whose units, on special occasions, will escort the vehicles carrying valuable cargo. Such cargo now crosses the continent on the "land bridges" of the United States because there is more security there.

Fernando Bueno took the opportunity to comment on the truly incredible thefts that take place all over the world as merchandise is being transported.

One noteworthy example is the disappearance of whole containers--on the high seas!

The official, who has vast experience in the handling of cargo, explained how the inexplicable disappearance of 20-ton containers was discovered on ships out in the middle of the ocean.

The explanation was that real pirate ships, in complicity with the crew of the cargo ships, would come alongside at night and transfer the containers from one vessel to the other.

The Multimodal Transisthmian Service will have not only land-based security surveillance, but in the near future it will also have helicopters. They will fly over the route constantly, another element which makes this service competitive with those of the United States. The latter also have the disadvantage of longer travel time in crossing the continent through U.S. territory.

Concerning the advantages of the Mexican service over those of the United States and Panama, the officials stated that the main asset in the first case is time, and of course cost. At present, to carry a container from coast to coast across the United States, it costs between \$900 and \$1,200. With respect to Panama, the principal advantage over the canal lies in saving time. They cite an example:

To use the SMT to transport goods from England to Japan, there would be a savings of 800 nautical miles; to transport merchandise from the coast of Texas to the coast of California, in the United States, the savings would be 2,200 miles.

The SMT, reported its director general, will take 72 hours to carry the entire cargo of a ship from one side of the continent to the other, counting from the moment the ship reaches the dock, until the last container is deposited on the deck of the cargo ship waiting on the other side.

Perhaps, he added, the Panama Canal could take less time, but that waterway is no longer sufficient for the world's current commercial transportation needs.

Fernando Bueno and his team refuse to talk of competition with Panama or the United States. They refer to the Multimodal Transisthmian Service only as a "new option" for shipping lines. However, neither the Americans nor the Panamanians regard it as such. Proof lies in the visits, primarily by the Panamanians, to the area where the SMT is being built. That is an indication of their concern.



The Multimodal Transisthmian Service will be one of the largest projects to be undertaken by the present administration, on the Isthmus of Tehuantepec.

[29 Jun 81 pp 1-A, 11-A]

[Text] Isthmus of Tehuantepec, Jun 1981--The realization of the dream of making the isthmus a bridge between the two oceans ran into some serious obstacles and some surprises.

Among the obstacles, according to SMT Director General Fernando Bueno, was the shortage of cement and rods in this country, and the delays in delivery of some of

the equipment purchased abroad. Nevertheless, the initial forecasts as to the date of completion of the project were not altered.

The surprises led the working team to the history books, and sometimes to zoology texts.

They went to the history books in search of explanations of port facilities buried in tons of sand and to find the locations of sunken ships, some of which had been there for more than a century. Then they went to the zoology books to find out how dangerous are the snakes that live along the railroad tracks and scare away the workers.

To solve the matter of the old port facilities and the sunken ships, additional work was enough. But the snake problem has not been so simple to resolve. The most they can do is recommend that visitors avoid walking in the tall grass that grows between the rails, a warning that did not make us very comfortable.

The sunken vessels, more than ten in all, were found in Salina Cruz, to one side of the old part of the port. Divers had to go down and take out huge chunks of steel and wood which were impeding progress on the projects.

Along with the ships there were also port facilities, apparently of three different eras. They had to be demolished or removed.

The officials, who sometimes travel to the region more than once a week and are in charge of the daily supervision of the project, feel a mixture of anxiety, expectation and the desire to see the first convoy leave for the other side of the continent across the isthmus, carrying those huge metal crates that revolutionized world commerce.

"We are in an apprenticeship period," said Fernando Pueno. For example, he mentioned the constant trips SNT officials have made to the principal ports of the world, with which Coatzacoalcas and Salina Cruz will soon enter into competition.

They all speak with respect for the "jumbo" ships that are capable of carrying up to 30,000 containers on a single journey. At present only about 30 of them exist in the entire world.

"But some of them," they said, "will come through here."

There is no fear at this time. The docks and the facilities are capable of handling them, unloading them and placing the goods on the trains and trailers that will take them to the other side of America.

Coatzacoalcas and Salina Cruz, the two ends of the concrete and steel belt that girds the nation's "waist," and the regions that surround the two great ports, have been the first to benefit from the SNT.

Coatzacoalcas, a key city in the oil industry (which has also yielded tremendous benefits for it), in addition to visible pollution, is already seeing its traditional road systems affected by a modern thoroughway to its port area. The thoroughfare is part of the SNT infrastructure.

Among the port facilities, the eye is drawn to the enormous German-made gantry cranes. There is one of them in each of the two ports, and two more are scheduled for installation.

Another impressive facility is the "combs" where 600 railroad cars can be parked at once, and the yards for containers.

The transisthmian highway, now only a two-lane road, will become a real four-lane freeway in the next few years.

The projects along the route also include the remodeling of several bridges.

It has been estimated that it will take trailers 6 hours to cross the 300-kilometer width of the country at this point, while the railroad convoys will take 12 hours. The latter will consist of three locomotives, 20 flatcars and a caboose.

The planning and control of all the services and maneuvers, according to Fernando Buena, will be done by computer. This will result in considerable time savings and will provide further guarantees for users of the services.

Thus, the isthmus, the country and those who transport millions of tons of goods around the world are awaiting the departure of the first railroad convoy and the first trailer for the other side of this region, which has been blessed with plentiful resources and a strategic location.

Perhaps it would be worthwhile to note the comment by the director general of the Multimodal Transisthmian Services: "The magnitude of some of the projects will not be apparent when they begin to function, but their importance will be revealed as time passes."

8926

CSO: 3010/1523

BRIEFS

JAPANESE LOAN--Tokyo, 14 Jul (NOTIMEX)--Japan's Export-Import Bank, a public institution, today signed here a loan agreement for 2 billion yen (\$8.8 million) granted to Mexico's National Bank to finance development projects in that country. Mexico will use the credit to buy small and medium size installations and services from Japanese enterprises. [Text] [FL141711 Mexico City NOTIMEX in Spanish 1709 GMT 14 Jul 81]

TRADE RELATIONS WITH CANADA--Mexico City, 16 Jul (NOTIMEX)--As a result of the work meeting between commerce secretary Jorge De La Vega Dominguez and Canadian Development and Foreign Trade Minister Horst A. Schmidt, specific conclusions have been reached regarding the economic relations between the two countries. This was reported today by the commerce secretariat which added that, as said on an earlier occasion, Mexico can become a permanent supplier of vegetables to the Canadian market. It should be pointed out that Minister Schmidt told De La Vega Dominguez that the demand for Mexican farm produce is growing and that the Canadians are interested in continuing to buy Mexican vegetables. It was also said that trade relations between Mexico and Canada have increased and that planned joint investments have been confirmed, together with technological cooperation in the field of agriculture. Under secretary of foreign trade Hector Hernandez Cervantes, is now visiting Canada at the head of a Mexican delegation for the purpose of strengthening various contacts and at the same time expanding already existing links and overcoming problems that may emerge. [Text] [FL171700 Mexico City NOTIMEX in Spanish 0135 GMT 17 Jul 81]

PESO DEVALUATION--Mexico City, 17 Jul (NOTIMEX)--Mexican President Jose Lopez Portillo has said that there is a conspiracy against the Mexican peso. It can be seen in the terrorism of the media, he explained, because both here and abroad many are bent on a sudden devaluation. "What we Mexicans do with our demand for foreign currency will determine the peso's fate." Lopez Portillo made the remarks during a press conference with foreign correspondents accredited to Mexico, whom he told that the Mexican peso can emerge from this problem of temporary liquidity. Fortunately, he said, the times when this topic was a sacred one and could not be touched are past; the Mexican public has begun to get used to analyzing this type of phenomenon which should not be viewed through the terrorism of the media. Lopez Portillo emphasized: "I will fight to keep the peso stable, I will fight with all my strength because I do not want to reward speculators unsupportive of their country who anticipatedly began to send money abroad and to advance their imports and speculate." [Excerpts] [FL172047 Mexico City NOTIMEX in Spanish 2013 GMT 17 Jul 81]

CSO: 3010/1559

SOVIET HELICOPTER USED TO RESCUE PEASANTS

Managua EL NUEVO DIARIO in Spanish 20 Jun 81 p 9

[Text] A modern and versatile Soviet helicopter, one of the two MI-8 choppers which the Soviet Union lent to the Revolutionary Government a few months ago, was used yesterday to lend assistance to some 20,000 peasants of the Rancho Grande sector, Matagalpa jurisdiction. The peasants were trapped and isolated by local floods. It has been raining for over 2 weeks in that area.

The rescue team took off from Managua with a dozen journalists from the different organs of the press in the country, and landed 40 minutes later in Matagalpa. There a delegation from the Red Cross, the Matagalpa City Council, the Ministry of Social Welfare and the Ministry of Health, was picked up. The powerful vessel also carried nearly 2,000 pounds of provisions, including sugar, corn, beans, salt, etc. It also had first aid medicines for those injured in the floods and downpours.

The helicopter was piloted by Soviets. Also on board were Soviet mechanics, who are in charge of maintaining the vehicle in accordance with the agreement signed between the Ministry of Transportation and the company Aeroflot, which owns the choppers. A Nicaraguan helicopter pilot who had studied in the USSR was also on board; he translated for journalists who were interested in finding out about the features of the MI-8.

This helicopter is part of the "mystery" that transnational news media recently reported.



[Photo caption] The Soviet MI-8 helicopter, loaned by Aeroflot to the Nicaraguan Government, with its Soviet pilots, when it landed in Rancho Grande yesterday. The comrade in front is a Nicaraguan pilot who also speaks Russian.

8926

CSO: 3010/1476

MINISTER DESCRIBES NEW INFORMATION POLICY

FL161943 Bridgetown CANA in English 1903 GMT 16 Jul 81

[Text] Paramaribo, Suriname, 16 Jul (CANA)--The Suriname Government, which has decided to impose general press censorship, is taking a critical look at films and advertisements on the nation's television service, with a view to ascertaining that they fit into the revolutionary process now taking place. The critical assessment of television's content comes as part of a new information policy being adumbrated by the government, including constant dialogue with the population.

Mr Robin Ravales, junior minister of culture and the country's leading folk poet, said in a television discussion program that most of the films being shown are from the United States and other Western countries, and they tended to de-culturate the people of this country, encouraging them to be alien rather than national in their thinking.

The filming and promotion of local programs are to be encouraged under the plan for making the television service more indigenous.

Mr Ravales said that many of the advertisers who represent foreign commercial interests here have an aversion to local programs and might not want to sponsor them. That would result in loss of revenue to the TV station, but that was also being given attention, the minister said.

He added that a recently-established cultural academy would be involved [in the] training of personnel for the production of programs for local screening.

In addition attention will be given to the language used in foreign advertisements. Instead of using Dutch, said Mr Ravales, use of English will be encouraged because the government wanted the Suriname people to become accustomed to it. More use will also be made of Suriname tongo (sranang), which is native.

Plans will be pushed for promoting exchange of programs with other Third World countries. Mr Ravales said that last April, he and the general manager of the television station, Mr Donald Pengel, had attended a program purchasing meeting in Paris where they made contact with representatives of other Third World countries on program exchange.

Mr Ravales referred to the recent screening of a film based on Suriname, "Kom Isi Baka" (Come Back Soon), made by a native Holland [as received] with a theme to which the National Military Council [MNC] objected. It ordered a withdrawal of the film because, said the council, it tended to denigrate the society. However, following representation made to the NMC, it was agreed to resume screening, but the council asked viewers to look at it critically, so that its message could be clearly understood.

Children's books and comics being sold in the country are also coming under scrutiny. Mr Ravales said the books tended to give children an alien outlook, with the comic books portraying the white man as a superior being and the colored man as inferior.

The revolutionary process now taking place was placing much emphasis on those necessary changes, he said.

CSO: 3020/126

COMMENTARY ENDORSES FRENCH DISTINCTION BETWEEN USSR, CUBA

Caracas EL DIARIO DE CARACAS in Spanish 23 Jun 81 p 6

[Commentary by Demetrio Boersner: "Mitterrand, Cuba and Venezuela"]

[Text] President Francois Mitterrand's social democratic government has announced that it intends to increase its relations and to strengthen its friendship with the Cuban Government. At the same time, it informed the world that its attitude toward the Soviet Union will be critical and reserved, in view of Russian intervention in Afghanistan.

The watchword, not only of the Mitterrand Administration but also of international social democracy in general, seems to be "Russia no, Cuba yes." Other leaders of the Socialist (Social Democrat) International, like Willy Brandt, Olof Palme and Bruno Kreisky, agree with their French colleague on the conviction--shared in Venezuela by ex-President Carlos Andres Perez and his former foreign minister, Simon Alberto Consalvi--that Cuba and the USSR are no longer one and the same thing, but that, in spite of its high degree of dependence on Moscow, the Antillean socialist republic has a national will of its own and might evolve toward a position of greater autonomy and of more harmonious coexistence with the rest of Latin America, if doors are opened to it and a hand is held out to it.

In the opinion of democratic, progressive sectors that reject communism but that are not opposed to more flexible and pluralistic forms of socialism, the best way of combating communism of the Soviet type might consist precisely in encouraging Cuba's gradual evolution toward a kind of tropical Titoism, less pro-Soviet and more Latin American and Third-World oriented, with an increasing domestic opening toward pluralism and participation by the people.

According to the opinion of the present governments of the United States and Venezuela, as well as of conservative sectors all over the Americas, the opinion expressed above is "utopian" or "ingenuous," peculiar to "useful fools." But the fact is that the diplomatic, journalistic and confidential political observers maintained in the Caribbean area by social democrat--and not exclusively social democrat--Western European governments are neither utopian nor fools. Not only that ideological leaning, but also Christian democrat and conservative sectors in the Old World are convinced by the point of view that Cuba is, at least potentially, something different from the "Soviet camp" and must be assessed as a phenomenon in part communist, but also, at the same time, national revolutionary and Third-World oriented.

This point of view is shared in Latin America by social democratic and popular forces that have always rejected communism, but that do not resign themselves, because of that, to regarding a regime--that had a very Latin American origin in the Sierra Maestra and in whose veins national and popular blood still flows-- as hopelessly lost to Russian hands.

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CSO: 3010/1497

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